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URBAN DEVELOPMENT ACTION GRANT APPLICATION

COLUMBIA POINT

PENINSULA
REVITALIZATION
PROGRAM

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CITY OF BOSTON KEVIN H. WHITE MAYOR JULY 1982

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COLUMBIA POINT PENINSULA REVITALIZATION PROGRAM

PHASES I AND II

URBAN DEVELOPMENT ACTION GRANT APPLICATION

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CITY OF BOSTON
KEVIN H. WHITE, MAYOR

July, 1982

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COLUMBIA POINT PENINSULA REVITALIZATION PROGRAM

PHASES I AND II

URBAN DEVELOPMENT ACTION GRANT APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBMITTED BY
CITY OF BOSTON
KEVIN H. WHITE, MAYOR

BOSTON REDEVELOPMENT AUTHORITY
ROBERT J. RYAN, DIRECTOR

Robert L. Farrell, Chairman
Joseph J. Walsh, Vice Chairman
James K. Flaherty, Treasurer
William A. McDermott, Member
Clarence J. Jones, Member
Kane Simonian, Secretary

IN COOPERATION WITH

BAYSIDE ASSOCIATES
JOHN DREW, PRESIDENT

July 31, 1982

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PART I

Application for Federal Assistance

OMB Approval No. 29-R0218

FEDERAL ASSISTANCE

1. TYPE OF ACTION (Mark appropriate box)
- [ ] PREAPPLICATION
- [X] APPLICATION
- [ ] NOTIFICATION OF INTENT (Opt.)
- [ ] REPORT OF FEDERAL ACTION

2. APPLICANT'S APPLICATION
a. NUMBER:
b. DATE (Year month day): 1982 7 31

3. STATE APPLICATION IDENTIFIER
a. NUMBER:
b. DATE ASSIGNED (Year month day): 19

Leave Blank

4. LEGAL APPLICANT/RECIPIENT
a. Applicant Name : CITY OF BOSTON
b. Organization Unit : One City Hall Square
c. Street/P.O. Box : Boston
d. City : MA
e. County : Suffolk
f. State :
g. ZIP Code: 02201
h. Contact Person (Name & telephone No.) : Robert J. Ryan 722-4300, ext. 207

5. FEDERAL EMPLOYER IDENTIFICATION NO.
E-046-001-380

6. PROGRAM (From Federal Catalog)
a. NUMBER: 14.221
b. TITLE: Urban Development Action Grant

7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT
Columbia Point Peninsula Revitalization Program- Phases I and II

(See Section IIA- Brief Summary of the Project and Its Participants)

8. TYPE OF APPLICANT/RECIPIENT
A-State; B-Interstate; C-Substate District; D-County; E-City; F-School District; G-Special Purpose District; H-Community Action Agency; I-Higher Educational Institution; J-Indian Tribe; K-Other (Specify):
Enter appropriate letter: F

9. TYPE OF ASSISTANCE
A-Basic Grant; B-Supplemental Grant; C-Loan; D-Insurance; E-Other
Enter appropriate letter(s): A

10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.)
Boston, MA

11. ESTIMATED NUMBER OF PERSONS BENEFITING
630 Jobs

12. TYPE OF APPLICATION
A-New; B-Renewal; C-Revision; D-Continuation; E-Augmentation
Enter appropriate letter: A

13. PROPOSED FUNDING

a. FEDERAL	$ 25,000,000
b. APPLICANT	.00
c. STATE	.00
d. LOCAL	.00
e. OTHER	79,668,298
f. TOTAL	$104,668,298

14. CONGRESSIONAL DISTRICTS OF:
a. APPLICANT: 8
b. PROJECT: 9

15. TYPE OF CHANGE (For 12c or 12e)
A-Increase Dollars; B-Decrease Dollars; C-Increase Duration; D-Decrease Duration; E-Cancellation; F-Other (Specify):
Enter appropriate letter(s):

16. PROJECT START DATE (Year month day): 1982 10 10

17. PROJECT DURATION: 9 Months

18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY (Year month day): 1982 7 31

19. EXISTING FEDERAL IDENTIFICATION NUMBER
n/a

20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)
U.S. Department of Housing and Urban Development

21. REMARKS ADDED
- [ ] Yes
- [X] No

22. THE APPLICANT CERTIFIES THAT
a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved.

b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached:

	No response	Response attached
(1) Not Applicable	[ ]	[ ]
(2)	[ ]	[ ]
(3)	[ ]	[ ]

23. CERTIFYING REPRESENTATIVE
a. TYPED NAME AND TITLE: Kevin H. White, Mayor
b. SIGNATURE: Kevin H. White
c. DATE SIGNED (Year month day): 1982 7 30

24. AGENCY NAME

25. APPLICATION RECEIVED (Year month day): 19

26. ORGANIZATIONAL UNIT

27. ADMINISTRATIVE OFFICE

28. FEDERAL APPLICATION IDENTIFICATION

29. ADDRESS

30. FEDERAL GRANT IDENTIFICATION

31. ACTION TAKEN
- [ ] a. AWARDED
- [ ] b. REJECTED
- [ ] c. RETURNED FOR AMENDMENT
- [ ] d. DEFERRED
- [ ] e. WITHDRAWN

32. FUNDING

a. FEDERAL	$ .00
b. APPLICANT	.00
c. STATE	.00
d. LOCAL	.00
e. OTHER	.00
f. TOTAL	$ .00

33. ACTION DATE (Year month day): 19

34. STARTING DATE (Year month day): 19

35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)

36. ENDING DATE (Year month day): 19

37. REMARKS ADDED
- [ ] Yes
- [ ] No

38. FEDERAL AGENCY A-95 ACTION
a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part I, OMB Circular A-95, it has been or is being made.

b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)

SECTION I—APPLICANT/RECIPIENT DATA
SECTION II—CERTIFICATION
SECTION III—FEDERAL AGENCY ACTION

STANDARD FORM 424 PAGE 1 (10-75)

PART II

Description of Proposed Project

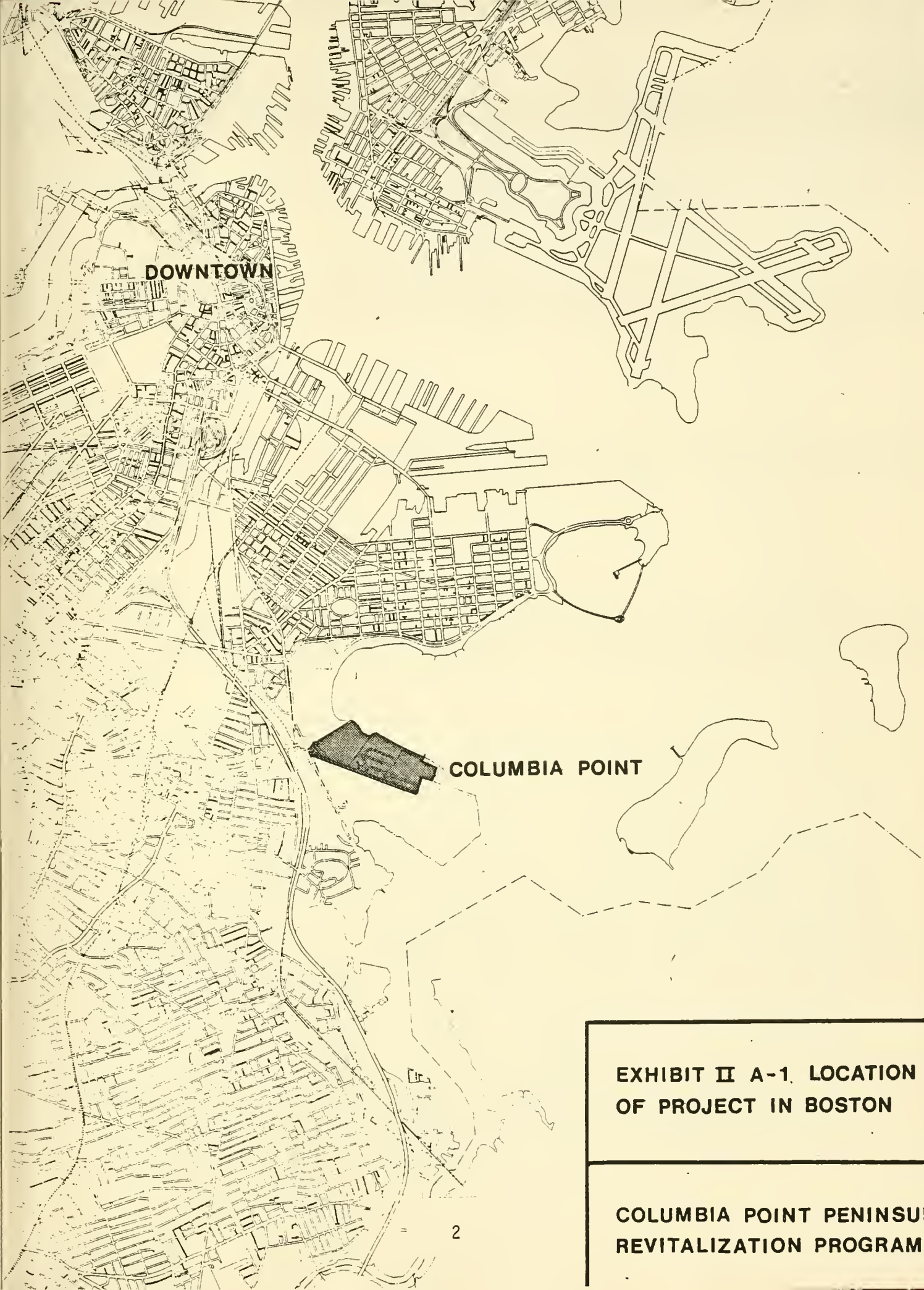


EXHIBIT II A-1. LOCATION OF PROJECT IN BOSTON

COLUMBIA POINT PENINSULA REVITALIZATION PROGRAM

SECTION A

Brief Summary of Project and its Participant

Illustration 1.
VIEW FROM COLUMBIA POINT
TO BACK BAY

PART II. DESCRIPTION OF PROPOSED PROJECT

II.A. BRIEF SUMMARY OF PROJECT AND ITS PARTICIPANTS

The City of Boston is applying for a $25 million Urban Development Action Grant (UDAG) to make feasible the first and second phases of the Columbia Point Peninsula Revitalization Program to create significant employment, housing and economic benefits to the City. Almost 630 permanent and 950 temporary construction jobs will be created on an annual basis by this multi-use development project. Real estate taxes to the City anticipated from this program amount up to $2.0 million.

The development of Phase I requires a $4.5 million Action Grant to assist in the permanent financing of the Bayside Exposition Center, a new multi-use exhibition facility to be located on the 21 acre site now occupied by the nearly vacant Bayside Mall. The developers of this project are Bayside Associates, a joint-venture of Corcoran, Mullins, Jennison, Inc. and O'Connell Development Company, Inc. The Phase I program involves the acquisition of a 277,000 square foot shopping mall containing four buildings into the largest trade center in New England. (It is anticipated that the Boston Teachers' Union will continue to occupy its space after completion of the Exposition Center.)

A partial opening of the Exposition Center is scheduled for January 1983 with completion and full operation by June 1983. A number of gate and trade shows, including the New England Flower and Boat Shows, have indicated their interest in locating here during the first year of operation. The Women's Apparel Group of New England now located at the Northeast Trade Center in Woburn and at a number of Boston location, has indicated an interest in relocating permanently in part of the Exposition Center's 72,000 square feet of apparel showrooms.

The Bayside Exposition Center's private development cost is estimated to be approximately $15 million. $1,106,204 will be contributed by the developers as equity. Private financing for the land will be by a $5,265,000 purchase money mortgage from the John Hancock Mutual Life Insurance Company (the present owner of the Mall), and $7.3 million will be in the form of Industrial Revenue Bonds from the State Street Bank Bank and Trust Company.

The $4.5 million Phase I UDAG will include $2,250,000 to be loaned to the developer to complete the permanent financing of Bayside Exposition Center. This below-market rate loan is needed to reduce the permanent debt service, thereby making the project financially feasible.

Funds repaid under the Phase I loan agreement by Bayside Associates will be made to a revolving loan fund to provide financial assistance for the Phase II development of Columbia Point. The funds may be used as loans, grants or loan guarantees to stimulate private investment of the housing or commercial activities planned for Phase II.

An additional $2,100,000 of the Phase I UDAG request would be a grant to the City for public improvements necessary not only for the Bayside Exposition Center but the Phase II housing as well. These public improvements would include new, more direct and attractive vehicular entrances to the peninsula from Day Boulevard and from the U. Mass loop road to Mt. Vernon Street.

Rehabilitation of the former Bayside Mall will be the first step in the revitalization of the Columbia Point Peninsula. The Phase II program includes the development of new and rehabilitated housing on an approximately 50 acre parcel owned by the Boston Housing Authority and the City of Boston, as well as new commercial activities on an Uphams Corporation parcel adjacent to the housing site. The development of Phase II requires the assistance of up to $20.5 million in UDAG funds in order to leverage over $90 million for the housing and commercial uses.

A developer's kit to solicit private interest in the Phase II housing program for Columbia Point is in final stages of preparation and will be advertised by the parties (BRA, BHA, and the Columbia Point Community Task Force, with HUD's concurrence) by the end of August of this year. This kit will request proposals to develop 1200-1600 units of mixed-income housing. The selected developer will be required to provide 400 permanent units of low-income housing, guaranteeing the present tenants a new or renovated unit and assuring a long-term, low-income presence in the new Columbia Point neighborhood. The developer will also be asked to provide 400 units of moderate-income housing and up to 800 market-rate units. As many of the existing BHA buildings as possible will be renovated.

The development schedule anticipates completion of construction on Phase II by the Fall of 1985. It is proposed that $16 million of the $20.5 million in Action Grant funds for Phase II be used to provide part of the permanent financing for the development of 400 moderate-income and 800 market-rate units. The remaining $4.5 million would be used for public improvements including landscaping along Mt. Vernon Street and new pedestrian and vehicular access to the Dorchester Bay waterfront.

The City and Bayside Associates have agreed that during construction of Phase I the following goals for hiring will be pursued: 50% Boston residents, 25% minorities, and 10% female. See Exhibits IIID-1 and IIID-2, First Source Agreement and Executive Order on Residential Hiring.

The City and Bayside Associates have also agreed that contractors shall take affirmative action to use minority business enterprise. See Exhibit IIID-3, Executive Order on Minority Business Enterprise Utilization.

The Neighborhood Development and Employment Agency (NDEA) and the Boston Redevelopment Authority (BRA) have committed the resources of its agencies to assure that the goals of recruiting, referring, training and placing of Boston residents, especially minorities, women and the economically disadvantaged, in construction and permanent jobs created by the Bayside Exposition Center are achieved.

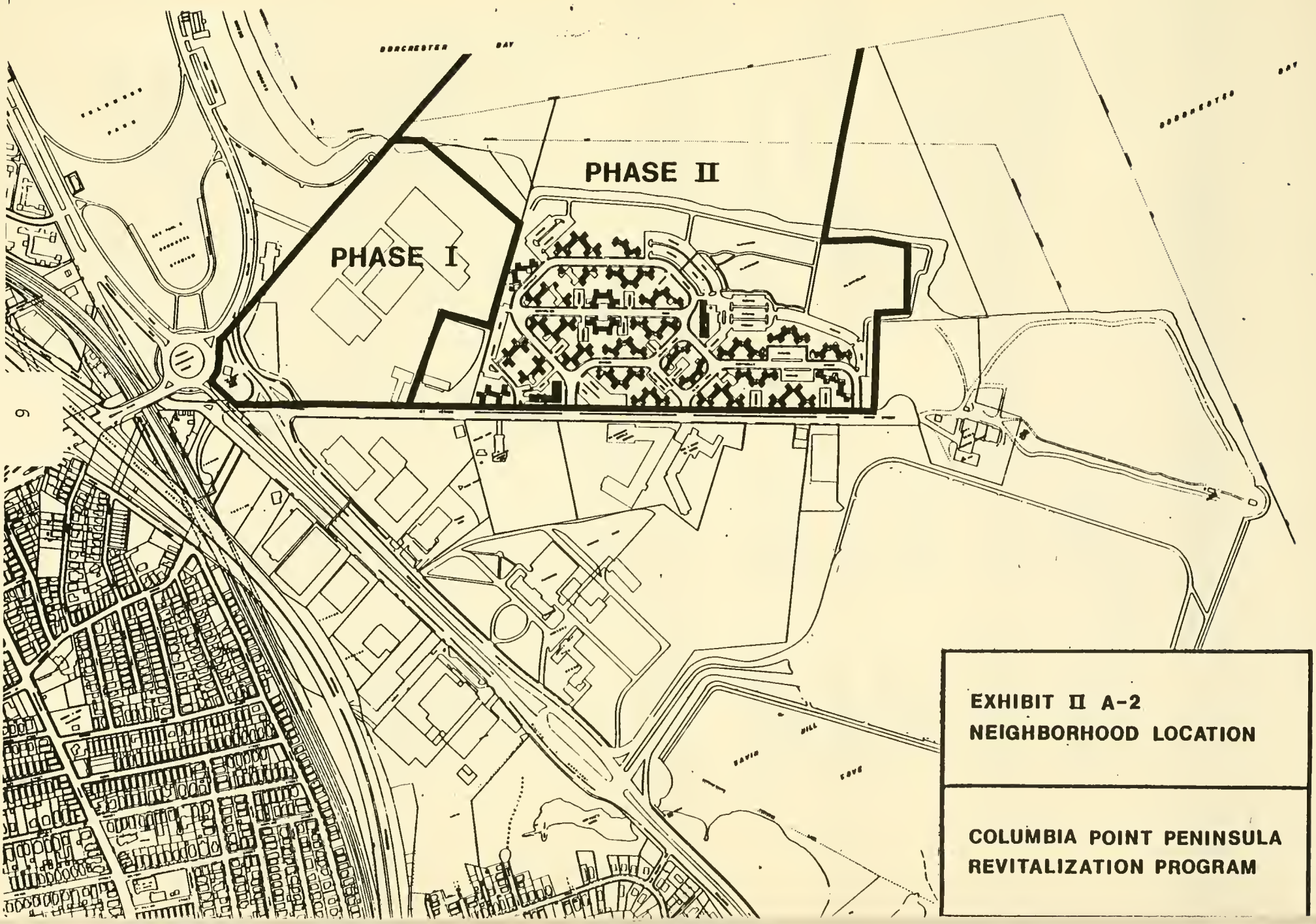


EXHIBIT II A-2
NEIGHBORHOOD LOCATION

COLUMBIA POINT PENINSULA
REVITALIZATION PROGRAM

PHASE I & II: PROGRAM BUDGET (Summary)

ACTIVITY	BUDGETED COSTS PHASE I	BUDGETED COSTS PHASE II
ACQUISITION Land and Buildings	$ 5,531,000	- 0 -
REHABILITATION/NEW CONSTRUCTION	$ 7,818,040	$82,000,000*
OTHER DEVELOPMENT COSTS (INCLUDING SOFT COSTS)	$ 2,569,258	N/A
TOTAL PRIVATE COSTS:	$15,918,298	$82,000,000*
CITY PUBLIC IMPROVEMENTS	$ 2,100,000	$ 4,300,000
CITY ADMINISTRATION	$ 150,000	$ 200,000
TOTAL PROJECT COSTS:	$18,168,298	$86,500,000

* Not including commercial activities in Phase II.

UDAG BUDGET - PHASES I & II

PHASE I - BAYSIDE EXPOSITION CENTER	
Loan to Bayside Associates	$ 2,250,000
Grant	
City Public Improvements	2,100,000
Administration	150,000
PHASE I TOTAL UDAG BUDGET	$ 4,500,000
PHASE II	
Loan to Private Housing Developer	$16,000,000
Grant	
City Public Improvements	4,300,000
Administration	200,000
PHASE II TOTAL UDAG BUDGET	$20,500,000

EXHIBIT IIA-3a

BOSTON HOUSING AUTHORITY
52 Chauncy Street
Boston, Massachusetts 02111

617-451-1250

July 19, 1982

Honorable Bruce Bolling, Chairman
Committee on Planning, Development
and Housing
Boston City Council
Boston City Hall
Boston, Massachusetts

Re: Columbia Point UDAG Application

Dear Councillor Bolling:

I am writing to express the support of the Boston Housing Authority for the City of Boston's Urban Development Action Grant (UDAG) application for Columbia Point.

The Housing Authority's primary interest, of course, is to see that the housing at Columbia Point is rehabilitated for low-income, as well as other residents.

We believe that the first phase of the UDAG, for the exposition center at the Bayside Mall, will enhance our ability to attract both qualified private developers and necessary public subsidy to carry out the proposed housing redevelopment. The second phase of the UDAG, specifically for the housing rehabilitation, will provide an important part of the public subsidy that is required to rehouse all current residents and provide a long-term resource of at least 400 apartments for low-income, public housing eligible people, as part of a mixed-income neighborhood.

It is our understanding that the UDAG application includes the City's commitment to at least 400 units of low-income housing as part of the housing redevelopment. The Housing Authority will continue to work with the Boston Redevelopment Authority and the Columbia Point Community Task Force to ensure that the UDAG funds are used to further the objective of all three parties that Columbia Point become an attractive neighborhood for residents of all income.

Sincerely,

Lewis H. Spence
Receiver/Administrator

UNIVERSITY OF MASSACHUSETTS
AMHERST • BOSTON • WORCESTER

OFFICE OF THE CHANCELLOR
ADMINISTRATION BUILDING
HARBOR CAMPUS
BOSTON, MASSACHUSETTS 02125

July 26, 1982

Mr. John Drew, Vice President
Corcoran, Mullins, Jennison, Inc.
1776 Heritage Drive
Quincy, Massachusetts 02171

Re: Bayside Exposition Center

Dear John:

Thank you for briefing the University on your Bayside Mall proposal prior to the formal announcement on Wednesday, June 14.

We heartily support your effort to construct an Exposition Center at Bayside Mall. This project is a most welcome addition to the Columbia Point community, and you are to be congratulated for the courage, foresight, and imaginative effort expended in getting the center started. I wish you all success on this project and hope it will be the catalyst and incentive for your pursuing further revitalization projects on the Columbia Point peninsula.

The University of Massachusetts-Boston is pleased to welcome Corcoran, Mullins, Jennison, Inc. to the Point.

Sincerely,

Robert A. Corrigan
Chancellor

RAC:mr

cc: Ms. Dusty Rhodes

EXHIBIT IIA-3c

THE FIRST NATIONAL BANK OF BOSTON

July 28, 1982

KENNETH R. ROSSANO
Senior Vice President

Mr. John Drew
Vice President
Corcoran, Mullins,
Jennison, Inc.
1776 Heritage Drive
Quincy, MA 02171

Dear John:

RE: Bayside Exposition Center

Thank you for the briefing on the Bayside Exposition Center. All of us at The First National Bank, particularly our Columbia Park location are pleased to have you as neighbors.

The Bayside Exposition Center will serve as a catalyst for the revitalization of Columbia Point and we sincerely welcome you.

Kind regards.

Sincerely

Ken

Kenneth R. Rossano
Senior Vice President

Boston, Massachusetts 02110 - Telephone 434-2270 (Area Code 617)

A Subsidiary of First National Boston Corporation

SECTION B

Detailed Project Description

II.B. DETAILED PROJECT DESCRIPTION

II.B.1 Statement of Problems and Objectives*

II.B.1.a. Problems

Although Boston is a "hub" city for a large metropolitan and regional market, its experience contrasts sharply with that of its surrounding area. Boston is a small city with exaggerated concentrations of problems common to older, mature central cities. The City of Boston makes up only one-fifth of its metropolitan area population, compared to an average of two-thirds among the nation's large central cities. Consequently, relative to other central cities, Boston has experienced a substantially greater impact of losses of population, manufacturing and trade firms, and of increased concentrations of poor in the central city. Boston, with 20% of the metropolitan area population, has 40% of the metro poor. In addition, the City does not have within its confines the more affluent neighborhoods which boost the income and tax base of other large cities.

Once a manufacturing center, Boston has shifted to greater specialization in services. The growth of the services sector, up until the 1970's, had traditionally offset Boston's long-term losses in manufacturing, trade and construction (115,000 jobs were lost since 1950). The recessions of 1971-72 and 1974-75 impacted Boston severely on many employment fronts, especially manufacturing and trade, and contributed to the loss of the 50,000 jobs between 1970 and 1976. These losses more than wiped out the gains made during the 1960's. Since 1976, Boston's growing services, finance, and T.C.P.U. industries have nearly recaptured employment losses in the 1970's. However, stagnant employment still exists in some industries and the recent recessionary counts in the 1980's have again raised the unemployment rates.

The long-term effects of Boston's economic problems and the existence of a large dependent population have contributed to the multi-faceted problems facing Boston today:

Boston's city-wide unemployment rate was 8.3% in April, 1982. Unemployment problems are even more severe for those with manual skills, youth and the Black and Hispanic work force (40% greater in 1980). The minority and unemployed work force is heavily concentrated in the target areas for this UDAG application. Uphams Corner, Dorchester, has a large concentration of minority residents (39% in 1980), low labor force participation and a high unemployment rate. In 1975, with a total City unemployment rate of 14.1%, in the Uphams Corner district, 16% of the residents were unemployed. In South Boston, the 1980 unemployment rate was nearly 2 percentage points greater than the city-wide rate of 6%.

---

* Boston's Comprehensive Economic Development Strategy (CEDS), 1979; Updated to 1981-2 data by B.R.A. Research Department, July 1982.

- Boston residents have captured a decreasing proportion of jobs in the City, down from 48% in 1960 to 40% in 1970 to 34% in 1980. The rising employment sectors, particularly services, increasingly provide jobs to commuters from the suburbs and outside the SMSA. These commuters have the skills and education to out-compete Boston's displaced blue collar workers, who are now seeking jobs in the expanding economic sectors without the requisite skills.

- The lower per capita income level ($9,353 in 1980) and median family income level in Boston compared to the Metropolitan area, State, and U.S. is, in part, attributable to unemployment, but also to the low-wage jobs held by Boston workers. While some portion of the resident work-force has migrated from the lost blue collar jobs to the growing service sector, the employment and education background of these City residents justifies speculation that they hold the relatively lower-wage occupations in this sector. In addition, there is evidence of growing upper-income professional and lower income service jobs with an increasing mismatch of available labor and newer jobs in the middle-income largely blue collar sectors.

- Boston is still suffering from the population loss experienced up to 1970 which contributed to housing deterioration and abandonment in Boston's older neighborhoods, and the decline of neighborhood commercial centers. Low incomes translate into less investment in housing, less local purchasing power, and contribute to rising inner-city problems of crime, social deterioration and private sector disinvestment. The results are that large segments of vacant or under-utilized land and buildings in commercial, industrial and residential areas of the City await reuse initiatives.

- The property tax, Boston's sole revenue source, is over-burdened by increasing demands for public improvements and services. The property tax base has not reflected the City's economic growth, in part because property wealth has not risen commensurately. The loss of manufacturing has been replaced by a thriving service sector, which has required less capital investment per worker. Because the the property tax is dependent on capital investment, it has been relatively unresponsive to the service sector growth. The problem is exacerbated by the City's large share of tax-exempt properties, such as hospital and educational facilities, which comprise two-thirds of the total assessed valuation in the City.

- Although Massachusetts' recently enacted reform legislation, Proposition 2½, which promises to alleviate much of the burden of high property taxes, it has failed to provide sufficient alternative revenue sources to offset the resulting massive loss of income to the State's cities and towns. This legislation, to be phased in over three years, places a cap of 2½% upon the maximum property tax to assessed value ratio. (Boston's 1981 average was 7.8%). This has caused a $90 million decrease in City revenues in FY '82 and necessitated the dismissal of nearly three thousand municipal employees in the first year alone. Although the State FY'82 budget increased local aid for Boston by $32 million to offset the severe impact of Proposition 2½, the City still suffered the impact of a $58 million reduction in revenues during the past fiscal year. The impact of 2½ has been not only to seriously diminish the City's ability to provide basic and vital services, but also the City's bond rating to be lowered on existing City debt. Further, the impact of Proposition 2½ on new debt issued by the City has been very serious.

- In addition, the cost of private development of inner city sites is often prohibitive without major public subsidy. The cost of land clearance, parcel assembly, provision of parking and infrastructure improvements, as well as property taxes for city sites, make these sites non-competitive with suburban locations unless development incentives are available and tailored to inner-city firm's needs.

- With regard to Boston's Columbia Point Peninsula, the neighborhood faces a number of severe physical, economic and social problems which have contributed to chronic economic deterioration:

  - The Columbia Point Peninsula houses New England's largest Public Housing Project, built in 1953 to accommodate 1,504 households. Several public schools were built in the late 1950's to support the residential population and the opening of the Southeast Expressway caused several new businesses to locate on the Peninsula. However, even with this substantial though uncoordinated development, Columbia Point still remains an isolated section of the City, dominated by an enormous public housing project, the University of Massachusetts Boston Campus and the John F. Kennedy Library.

  - The isolation of the Peninsula and its residents from the life and activity of the City of Boston has had enormous social and economic costs. First, the unemployment rate of residents is very high, resulting in part, from limited opportunities for training and employment with area businesses or institutions. Consequently, 75% of the residents depend on welfare as their only source of income. Average income is only $3,450 and 76% of the families are headed by females.

  - Approximately 75% of the 1,504 public housing units at Columbia Point are vacant, exacerbating this isolation and leading to a higher incidence of crime within the housing project. The residents who remain in the project are there because they lack other housing options. Overcrowded, deteriorated living units, without access to services and amenities, are the characteristics of the current project.

II.B.1.b. Objectives

Boston's Comprehensive Economic Development Strategy (CEDS) outlines the aforementioned problems and directs priority status for projects which benefit areas with high unemployment and bolster area development potential. (See Appendix for a more complete discussion of Boston's CEDS Program.) The CEDS priority sectors comprise industries such as manufacturing, retail and office, particularly those offering job opportunities at above average wages to the Boston resident work force and representing an expansion and diversification of the City's economic base. The continued growth of these sectors is expected to improve the long-term quality and diversity of jobs in Boston. Light industrial, in particular, is also the sector most in need of public attention if the City is to retain existing jobs and capture the expansion and start up opportunities of growing firms. CEDS goals, in summary, are to:

1. Increase the number and quality of jobs for Boston residents in order to reduce unemployment and increase real income.

2. Induce and encourage the growth and diversification of Boston's economic base.

3. Strengthen the City's tax base in order to increase City revenues for providing public improvements and services, while at the same time, reduce the City's dependence on the property tax and continue a well-managed fiscal strategy.

4. Target infrastructure improvements to those areas having the greatest potential for fostering job-creating industrial and commercial development.

5. Promote and preserve the stability of neighborhoods as places to live and do business.

For each goal, the CEDS proposes specific policy statements, and, in turn, these policy statements provide for program strategies.

The Phase I renovation of the Bayside Mall for the Bayside Exposition Center, and its impact on the Columbia Point Community is consistent with the CEDS Business Development Goals, which include:

1. Increasing office, retail, and light manufacturing activity in leading industries which will create employment opportunities in growth sectors and increase real income;

2. Providing area residents with gainful job opportunities thereby combating high unemployment and underemployment in Uphams Corner, Columbia Point and South Boston; and

3. Providing area residents with on-the-job training so they are better equipped to break the institutional barriers to jobs.

In addition to the Phase I development of the Bayside Exposition Center the UDAG application will include the construction of ancillary commercial uses (See Appendix for study of Columbia Point's retail market) on one parcel of land adjacent to the Bayside site as well as 1,600 units of housing on the current Boston Housing Authority property and City of Boston owned land. The Bayside Exposition Center, coupled with the second phase commercial and residential development will serve as the initial stages of a peninsula-wide redevelopment program for Columbia Point.

The City's fundamental development objective for Phase II is to create a new mixed-income, racially integrated community in Boston for 6,000 to 8,000 residents in Columbia Point. By stimulating the development of quality housing for diverse income and ethnic groups, crucially needed low, moderate and market rate housing will be provided. Moreover, the problems of isolation, crime and deterioration for which the Peninsula is known, may be resolved through this development program.

II.B.1.c. Strategies

Boston's CEDS sets forth program strategies appropriate to policy and goal statements. Derived from the CEDS goals, policies and program strategies, criteria for identifying priority development projects were established including:

1. Project is expected to generate a significant number of new jobs.

2. Project is expected to generate jobs for Boston residents.

3. Project will have a positive quantifiable impact upon minorities in terms of employment and income.

4. Project represents growth or expansion of the City's economic base.

5. Significant tax benefits would be derived by the City.

6. Project will play a significant role in the long-term development of the area and will anchor existing investment, as well as act as a catalyst for future private investment.

7. Project will complement other programs designed to revitalize or develop the area.

The Columbia Point Peninsula program represents a significant step in furthering Boston's goals for economic development, job creation and expanding the supply of quality housing. The Columbia Point Bayside Mall Renovation satisfies the CEDS Program criteria as follows:

1. Bayside Mall redevelopment is expected to create a significant number of jobs (538 permanent and 175 temporary construction jobs).

2. The developers and their prime tenants will be expected to abide by the City's First Source Agreement, which provides for a goal of employing Boston residents in fifty (50%) percent of all newly created permanent jobs.

3. The Agreement further provides that construction funded in whole or in part by UDAG funds meets the Mayor's Executive Order on Minority Business Enterprise and appropriate City policies on Minority and Female Construction hiring. (See III.D.2 "Participation of Minorities - Phase I Project".)

4. The Bayside Mall redevelopment represents not only an expansion of the City's economic base, but will also provide new employment opportunities in a neighborhood with high unemployment levels.

5. The Bayside Mall project and subsequent peninsula-wide redevelopment will contribute significantly to the City's revenues. The Bayside Mall, when completed and fully tenanted, will generate over $465,000 in property taxes for the City annually. Furthermore, the new housing and supporting services, which are components of the Columbia Point Peninsula Revitalization Program, will similarly generate up to $1.5 million in new real estate taxes to the City.

6. The Phase I-Bayside Exposition Center represents approximately $15 million in new private investment in the Columbia Point Peninsula. Exposition Center users will also support commercial activity to be developed in Phase II. Finally, public improvements to the access roadway to the Peninsula will strengthen future investment opportunities in Phase II.

7. The Bayside Exposition Center and the Phase II housing are complementary parts of a comprehensive revitalization program for the peninsula. They are, to a great extent, inter-dependent in that Bayside needs improvement in the contiguous housing project to be successful in the long-term and the housing needs the image change, physical improvement and job generation which Bayside will provide.

II.b.1.d. Need for Assistance

Boston has thoroughly established its need for State and Federal assistance in carrying out its community revitalization activities, whether in the downtown or the neighborhood arena. Thus far, the City has received Urban Development Action Grants for a wide variety of projects.

As an older city, Boston has several problems which necessitate an external catalyst to stimulate private investment. Private development of inner-city sites is costly without public subsidy. Land cost, demolition, clearance, assembly and infrastructure improvements, as well as parking requirements and property taxes, quickly add up to a development cost that is non-competitive.

Commercially, Boston has instituted the State's new CARD (Commercial Area Revitalization District) program in the Downtown and in many of the older neighborhood shopping centers, including the Bayside Mall. Designation of a CARD, which must be located in an older commercial center, indicates that reinvestment is unlikely to occur without the benefits which the CARD confers - eligibility for Revenue Bond financing, State commercial mortgage insurance and certain State tax incentives.

The redevelopment of the Columbia Point Peninsula is one of the City's highest priorities for the 1980's. Its top priority status in the CEDS document is a recognition not only of the project's job creation benefits, but also the importance of the attraction of new industries to the City, the creation of employment opportunities in the City's neighborhoods, the continued expansion of its retail and office sectors and the creation of a new, mixed income, integrated neighborhood for Boston residents.

Unfortunately, the City is severely limited in its ability to help industry write-down these extraordinary costs and thus leverage such a unique opportunity as this proposed project. The property tax is the only significant local source of general revenue authorized to the City by the Commonwealth of Massachusetts. In FY'81, the property tax accounted for over 81% of locally raised revenue. Boston's effective property tax rate is among the highest in the nation. Currently, it is $230.90 per $1,000 in assessed value. The City is not authorized to collect either retail sales or income taxes.

An examination of the City's budget for FY'81 reveals the degree of dependence on outside sources of revenue. Approximately $167 million in Federal and $187 million in State funds, representing approximately 35% of the budget, was used that year by the City to carry on a variety of City functions.

With the implementation of Proposition 2½, the property tax disparity between the City and the suburbs will be reduced, making the City more competitive. However, the impact of Proposition 2½ upon the City of Boston will be to severely curtail the City's ability to provide essential services. As noted before, the City is projected to lose over $90 million in property tax revenue in FY'82 alone, which, although offset by a $32 million increase in local aid from the State, will result in the dismissal of numerous municipal employees. This graphically illustrates the importance of increasing the City's tax base and avoiding the use of tax agreements as locational subsidy mechanisms. Currently, tax-exempt properties - Federal, State, City and medical and educational facilities - comprise 62% of the total land in Boston.

The City's ability to utilize general obligation bonds to aid economic development activities is quite limited. At present, because of Proposition 2½, the City's bond rating has been lowered.

The City debt load (measured by the conventional ratio of the size of outstanding debt to estimated full and taxable valuation) has grown to become the second highest in the country among cities, second only to New York City, according to Moody's Investor Service. The gross debt per assessed value is 30.4%. The gross debt of $847 per capita is high compared to other cities nationwide. In response to this situation, the City has established and has had in effect for the past few years a policy to limit the debt at $60 million per year. This, nevertheless, still increases debt faster than old debt is retired, and at higher interest rates. In fact, because of this policy, requests of over $40 million in capital improvements needs defined by various City departments were unmet last year. It is anticipated that these pressures on the Capital budget will continue.

The City's high existing debt load has been the result of a clear policy by the City to undertake a substantial backlog of public development projects in order to upgrade the City's facilities. Since the 1960's, an aggressive capital expenditure program for school construction, urban renewal, mass transportation and port development has been pursued by the public sector. Approximately 75% of the City's direct debt now is represented by school construction and urban renewal projects alone. Over this period, substantial injections of public capital were provided -- in the first case, principally to eliminate outworn and inadequate structures and secondly, to encourage public and private investment in strategic areas of the City.

In the midst of these realities, the opportunities to invest in Boston offer clear benefits to the public and private sectors. For the private sector, a labor force is readily available and public transportation to the site is in place. For the public sector, the limited public investment will leverage substantial private money to create significant employment opportunities for Boston's economically disadvantaged and minority residents.

II.B.2. Conformance to CEDS

The proposed project is a CEDS Priority Economic Development Project. (See Appendix for Resolution of CEDS Committee with regard to Columbia Point's development priority.)

II.B.3 Project Feasibility Analysis

Phase I

The feasibility of the Phase I project is based upon a number of analytical studies (see Appendix) completed by the City and its consultants on the convention center industry and upon the development track record of Bayside Associates' joint venture partners and upon the demonstrated growth potential of this trade center to be the largest in New England. There is a demonstrated need for multi-use exhibition space accommodating both trade and gate show events and for permanent showroom space for the garment industry. No formal market analysis or feasibility study was deemed necessary as letters of interest have been received by Bayside Associates from groups desiring occupancy in the Exposition Center for a minimum of 180 days during the first year of occupancy and from members of the garment industry for permanent showroom space. This interest could generate over $3,000,000 in project revenue during the first full year of operation. As the attached letters indicate (See Exhibits IIB3-1 and IIB3-2), Bayside Exposition Center can reasonably expect both to attract and to retain these shows because it can offer a more desirable facility at comparable cost to exhibitors and participants. In addition, the elimination of convention and gate show activity from Massports's Commonwealth Pier establishes a further justification for this project. (See Exhibit IIB3-3).

While the Phase I project is partially within a flood hazard area, no structures are proposed in the flood plain. Only open parking would be impacted in times of flood.

Phase II

The feasibility of the Phase II project is based in part on the successful completion of the Phase I project - the Bayside Exposition Center - to establish not only private venture interest in the Columbia Point peninsula, but a consumer segment which will help support the retail and service activities to be constructed with the 1,600 units of housing. The feasibility is also based on HUD's strong interest in making this project happen - in turning years of planning efforts into construction of new and renovated units and the creation of a new mixed-income community by a private developer. In addition, the site itself, which is unique in the city with tremondous unrealized but publicly recognized potential, contributes importantly to the project's feasibility. Finally, continuing, informal response from developers to proposals for new housing at Columbia Point has been very positive.

EXHIBIT IIB3-1

CONVENTURES INC.

July 21, 1982

Mr. John Drew
Vice President
Corcoran, Mullins, & Jennison
1776 Heritage Drive
North Quincy, MA

Dear John:

This letter shall serve to define Conventures position with regard to the pending development of the Bayside Exposition Center. Based on the extensive research that Conventures has conducted to date, as well as the input subjectively offered by our potential clients, I would like to outline our position in the following points:

1. We feel that the Boston market could support a major trade exposition center. We feel that such an exposition center could be utilized 40% of the time the first year and 60% to 80% in subsequent years.

2. While enthusiastic about the proposed project, our clients have indicated to us that they would not move from their current location unless the rental rates were in the market range of which they are currently paying. We have indications that rates ranging from $ 6000 to $ 9000 per day is within the market range. These rates apply only to the open days and do not apply to the additional set or break days required by any specific client.

3. It was also indicated to us by our clients that unless we are able to guarantee the opening of the Bayside Exposition Center in January, that they would be unable to commit to any shows in 1983.

We would look forward to hearing from you with regard to the above positions. Naturally, we hope that everything proceeds on the building, as Conventures and its clients would be very anxious to have such a facility in the Boston area.

Kind regards,

Dusty Rhodes
President

45 Newbury Street, Boston, Massachusetts 02116 (617) 267-0055

CONVENTURES INC.

BAYSIDE EXPOSITION CENTER

List of Intended Shows - 1983, 1st & 2nd quarter

The New England Camping Show

The New England Home Show

The New England Industrial Show

The New England Truck Show

Men's Apparel Club of New England

The New England Spring Flower and Garden Show

World of Wheels

Northeast Computer Show

Photo Optical Show

Securities Show

The New England Travel Show

45 Newbury Street, Boston, Massachusetts 02116 (617) 267-0055

EXHIBIT IIB3-2

Massachusetts Horticultural Society

July 21, 1982

Mr. John Drew
Corcoran, Mullins, & Jehnison
1776 Heritage Drive
North Quincy, MA

Dear John:

On behalf of the Massachusetts Horticultural Society and the New England Spring and Garden Flower Show we would like to have the 1983 Flower Show at the Bayside Exposition Center. As you know, we are most enthusiastic about the project and would look forward to getting our plans confirmed as soon as possible.

Naturally I understand the plans for the Bayside Exposition Center are contingent upon the Urban Development Action Grant. Would you be kind enough to keep me posted as to the developments with the grant. We need to start our planning as soon as possible.

Kind regards,

Roger Dane
Executive Director

RD/km

Horticultural Hall / 300 Massachusetts Avenue / Boston, Massachusetts 02115 / (617) 536-9280

CONVENTURES INC.

July 22, 1982

Mr. John E. Drew, President
Bayside Associates
One Heritage Drive
N. Quincy, MA 02171

Dear John:

The Commonwealth Pier prior to closing contained 184,000 Square feet of space and square footage located at 170 Northern Avenue, Boston, Mass. Commonwealth Pier was owned by the Massachusetts Port Authority and operated most recently by North American Expositions, Inc. The Pier was converted to exposition space which was totaled 168,000 Square feet maximum. There were two meeting rooms of 500 people each and the largest banquet could hold 4,000 people. The ceiling height in the main hall was 30 Ft. and the adjacent parking lots offered 1,000 car parking. It was particularly costly to heat and air condition, therefore it did not operate in the summer months due to the air conditioning costs. The Commonwealth Pier charged approximately $5,000 per day in 1982 and projected its rates, had it stayed open, to $6,000 per day in 1983.

The building was less than desirable for trade and public shows due to its old and deteriorated condition. It was not directly accessible by either major highway or Mass. Bay Transit Authority Transportation.

The Massachusetts Port Authority closed Commonwealth Pier in June of 1982 by eminent domain. Shows that had been held in Commonwealth Pier have shown a great deal of interest in coming into Bayside Exposition Center in 1983.

Sincerely,

Dusty Rhodes
President

45 Newbury Street, Boston, Massachusetts 02116 (617) 267-0055

II.B.4 Developers and Other Parties (This Section relates only to Phase I)

II.B.4.a. Developers

Bayside Exposition Center will be owned and developed by Bayside Associates, a newly formed joint-venture of the O'Connell Development Company, Inc. and Corcoran, Mullins, Jennison, Inc. This is the latest in a series of joint ventures undertaken by these two firms. John Drew, an executive with CMJ, is the newly elected president of Bayside Associates.

The O'Connell Development Company, Inc. is based in Quincy, Massachusetts, and is headed by Peter O'Connell. Mr. O'Connell also serves as president of the highly successful O'Connell Brothers Construction Company which has developed and built the State Street South Office complex in Quincy, Massachusetts. O'Connell Brothers Construction, founded in 1969, is noted for its aggressive approach to commercial development, concern for energy conservation and involvement in community-based projects. In addition to State Street South (a 328,125 square foot office complex which is being supported by a $2 million UDAG from HUD), their projects have included recycling of the historic Mohican Hotel in New London, Connecticut; Granite Place, a 270-unit rental housing complex for the elderly and handicapped in Quincy, Massachusetts and the 172,000 square foot Commercial Union Office Building also in Quincy, Massachusetts represent additional projects completed by these developers. (See Appendix for additional information on O'Connell Brothers Construction Co., Inc.)

Corcoran, Mullins, Jennison, Inc. (CMJ), also based in Quincy, Massachusetts, is a prominent real estate development firm with an extensive track record in government subsidized housing and luxury condominiums. Recently, the firm has begun work in commercial real estate development, including a shopping center and a proposed office building, both located in the Greater Boston area. Since its founding in 1970, CMJ has completed projects with a total value in excess of $170,000,000 (See Appendix for additional information on CMJ, Inc.).

II.B.4.b. Other Private Parties

The permanent garment showrooms will be leased to the Women's Apparel Group. This organization is made up of regional representatives of women's clothing manufacturers, who will use the space to display their products to buyers from department and specialty stores. They will also use the exhibition space four times a year to introduce new lines. (See Exhibit IIB4-1 for interest of the Women's Apparel Club of New England.)

Conventures, Inc., a minority-owned Boston-based professional meeting planning firm will operate the exhibition space. This full-service exhibition management corporation will be responsible for all bookings and for provision of services to exhibitors (set-up, take-down, utilities, etc.).

Boston Teacher's Union (BTU) will retain 30,000 sq.ft. of space in the fourth mall building. BTU has the option to purchase the structure, but is not expected to do so. Renewal of the lease will be considered by Bayside Associates. (See Appendix for a copy of the lease between BTU and John Hancock Mutual Insurance Company.)

EXHIBIT IIB4-1

the fashion world is...
Women's Apparel Club
of New England
Northeast Trade Center
100 Sylvan Road
Woburn, Massachusetts 01801
Telephone (617) 935-1150

July 13, 1982

OFFICERS
HERBERT LIPPMAN
President
SEYMOUR GOTCH
Vice President
TONY OLIVOLO
Executive Secretary
N DAUB
Treasurer
WINSTON
Financial Secretary

BOARD OF DIRECTORS
EDWARD APPLETON
K CRANE
ELLIOT HAYTOWITZ
IRWIN MADOFF
FRANCES MORANT

IRVING RUBINSTEIN
President Emeritus
BOB LEIPZIG
President Emeritus II
IRVING COLNICK
President Emeritus III

O.B.C., Inc.
1 Heritage Drive
Quincy, Ma 02171
ATTN: Peter F. O'Connell

Dear Mr. O'Connell,

The Womens' Apparel Club of New England is looking forward to the rehabilatation of the Bayside Mall. This project will enable our members to return to the City of Boston after 8 years absence.

During the last 2 years we have been unable to find a suitable facility because of the high cost of new construction. We understand this project is dependent upon the assistance of the Dept. of Housing and Urban Development.

We fully support your efforts to secure UDAG funding, as we realize our future in Boston requires this commitment from H.U.D.

I look forward to hearing from you on this matter.

Very truly yours,

Herb Lippman
President

HL/jp

NAWCAS

II.B.4.c. Dual Functions

Bayside Associates will both develop and own the Exposition Center. O'Connell Brothers Construction will be the general contractor for all work related to the Exposition Center itself.

II.B.4.d. Miscellaneous

Bayside Associates plans to lease the showroom building to a number of users from the Women's Apparel Group of New Englad upon completion. Details of the lease are presently being finalized. The Boston Teacher's Union has a long-term lease on the fourth mall building. They have an option to purchase this building but are not expected to do so, and their use of this facility does not conflict with the other activities going on at the site. The developers will consider renewal of the lease.

There are no relationships between elected officials, city employees or their families and any parties to the proposed project.

The Developer is not involved in any projects in the area of the proposed project; however, it is anticipated that CMJ, a partner of the joint-venture, may submit a proposal for the housing in Phase II. In addition, Bayside Associates holds an option on two commercial reuse parcels owned by the Uphams Corporation, which are within Phase II. The Boston Redevelopment Authority has also signed a Development Agreement with Bayside relating to the reuse provisions for these two Uphams Corporation parcels (see Appendix for a copy of this Agreement).

II.B.5 Consultants

Bayside Associates Consultants to Date

Ernest J. Zupancic 101 Highland Avenue Newtonville, MA 02160	Community Development Consultant
Goodwin, Proctor and Hoar 28 State Street Boston, MA	Legal Services
David, Malm and D'Agostine One Federal Street Boston, MA 02110	Bond Counsel
George E. Ross 375 Granite Avenue Braintree, MA	Architect
Sasaki Associates, Inc. 64 Pleasant Street Watertown, MA	Consulting Architect
Howard Kaplan Pittsburgh, PA	Exhibition/Trade Show Consultant
Conventures, Inc. 45 Newbury Street Boston, MA 02116	Marketing Consultant
Robert Andrews	Construction Consultant
Samuel Zax Associates One Clivedon Street Quincy, MA	Electrical Engineer
Ginns/Dubin 480 Adams Street Milton, MA	Mechanical Engineer
Chapin Associates, Inc. 106 Access Road Norwood, MA	Structural Engineer
Harry R. Feldman, Inc. 112 Shawmut Avenue Boston, MA	Civil Engineer

Boston Redevelopment Authority and Neighborhood Development and Employment Agency Consultants To Date

Warren Butler, 7005 Arandale Road Bethesda, Maryland 20034	UDAG Consultant

Illustration 2.
COLUMBIA POINT PENINSULA

II.B.6. Primary Project Description

II.B.6.a. UDAG Project Overview (See Exhibit IIB6-9 Chronological Narrative for Phases I and II)

The Columbia Point project presents all involved parties with an unusually exciting and large-scaled development opportunity: to create a new Boston neighborhood, consisting of a mixed-income residential community closely integrated with the already strong and growing institutional and commercial activities. The site for this new neighborhood is a peninsula just south of downtown Boston on a major highway with dramatic views of that area and Boston Harbor.

The peninsula has for some years existed in a state of ambivalence in which its considerable liabilities have contended, often successfully, for preeminence against its considerable assets. The result has been a steady deterioration of conditions on the Point and a generally negative public image of the major portion of Columbia Point, if not all.

There is no doubt that the area has real problems now. The most critical one focuses on the Columbia Point public housing project, the largest in New England and considered to be one of the most troubled. Of the 1,504 units built in 1954, less than 400 are now occupied, and the vacant units have been seriously vandalized. The project as built was far too intensively developed and despite the vacancy rate, remains oppressive in its density and depressing in the largely derelict condition in which it is today.

Despite Columbia Point's being surrounded on three sides by water, the public housing project was designed and built in such a way that it hardly recognizes this relationship, and it is difficult to walk or drive to the water's edge. In fact, attractive and inviting public access to the shoreline at Columbia Point is rare.

Another problem at Columbia Point is the fact that its natural geographic isolation as a peninsula from the larger community is intensified by indirect and not particularly attractive access to Mt. Vernon Street which serves as the housing project's only vehicular connection to the rest of the city.

Fortunately, all of the above problems are ones which can be overcome by using Columbia Point's assets more effectively than they have been. Prominent among its assets is its location, within three miles of downtown Boston, facing on Boston Harbor. Its spectacular views of the Harbor and of the Boston skyline are also important, as are its accessibility to the city and region via the Southeast Expressway, the Red Line and buses, and its potential connection to the downtown/airport area via water taxi.

A number of businesses and institutions have located on the peninsula, some recently, providing real recognition of its potential. These include three nationally known institutions, the John F. Kennedy Library which opened two years ago, the University of Massachusetts Harbor Campus and the headquarters and printing plant of the Boston Globe.

Another asset, particularly from a development point of view, is that the basic infrastructure is in place at Columbia Point, including utilities, pedestrian and vehicular circulation and schools.

It seems clear that there is a very good chance of carrying out the comprehensive revitalization program for Columbia Point which has been talked about for so long. This program would be carried out in three phases, the latter of which, Phase III, is proposed to continue the development of mixed-income housing on parcels currently owned by the University of Massachusetts and the Boston Water and Sewer Commission, and the provision of peninsula-wide recreation, community and retail services. The following elements are included:

- A renovated Bayside Mall into a new multi-use exhibition facility
- 2,000 - 2,500 units of new and renovated mixed-income, racially integrated housing
- a neighborhood shopping center as well as convenience stores and services located in residential areas
- a new waterfront park and beach and other recreational and open space facilities
- public improvements to utilities and traffic and pedestrian circulation systems
- a renovated Calf Pasture Pumping Station with restaurant/retail community and visitor center functions

This application for UDAG funds relates to Phases I and II of the overall Columbia Point development program only. The first phase proposes that the presently almost vacant (since 1971) Bayside Mall be converted into the Bayside Exposition Center by Bayside Associates, a joint venture of Corcoran, Mullins, Jennison, Inc., and O'Connell Brothers Construction Company, Inc. This would be New England's largest facility for trade and gate shows and would include permanent showrooms for the women's garment industry as well. Bayside Exposition Center will represent a major investment in the peninsula, generating considerable economic activity in terms of construction and permanent jobs, increased taxes, etc., from presently vacant buildings. Perhaps as important, Columbia Point will attract large numbers of visitors (for instance 30,000 per day if the New England Flower Show chooses to locate here in the Spring, 1985), thereby reducing its sense of isolation and the public perception of its being an unsafe place. As part of this development, Bayside Associates intends to purchase an option on two adjacent parcels which will be used in the interim for additional parking. However, as soon as the housing phase starts the Bayside developers intend to use one parcel on Mt. Vernon Street for the construction of a parking garage with lower-level retail uses.

The traffic and circulation public improvement proposed for Phase I will not only benefit the Bayside Exposition Center, but will assist in eliminating access problems to the proposed housing in Phase II.

The improvement of the adjacent public housing project in a timely fashion is clearly a necessary factor in the long-term success of the Bayside Exposition Center. For the first time in some years it is entirely possible that this improvement will occur.

A Developer's Kit to solicit private interest in the development of the Phase II program for Columbia Point is in final stages of preparation and will be sent out by the end of August, 1982. This kit will request proposals to develop 1,200-1,600 units of mixed-income housing on a 50-acre site presently owned by the Boston Housing Authority and the City of Boston. The developer must provide four-hundred permanent units of low-income housing, guaranteeing the present tenants a new or renovated unit and assuring a long-term low-income presence in the new Columbia Point neighborhood. In addition, the kit requests four-hundred units of moderate-income housing and the balance to be market-rate. The developer will presumably use and renovate as many of the existing BHA buildings as possible, selectively demolishing some to reduce intolerable densities and perhaps lowering others from seven to three or four floors. The rest of the units will be new construction, townhouses and perhaps towers. The schedule calls for the total completion of this phase by Fall 1985.

The success of this first phase of housing is closely linked to the progress of the Bayside Exposition Center and to its developers' intentions to provide retail services between Bayside and the housing site. Bayside must go ahead - creating a vital community element out of a vacant shopping center and bus parking lot, providing construction and permanent jobs for area residents, ending the peninsula's isolation and improving its image, dramatically upgrading the entrance to Mt. Vernon Street - before the housing can proceed.

The UDAG funds requested in this application will be used to fill certain critical gaps in public and private financing for Phases I and II. In Phase I, the $4.3 million request would be used first to provide a $2.25 million loan to Bayside Associates to complete the necessary permanent financing. The total private investment in this phase for acquisition and development costs is expected to be approximately $15 million. Another $2.1 million of the UDAG would be used for public improvements including a new more direct and attractive entrance from Day Boulevard to Mt. Vernon Street which is critical not just to Bayside Exposition Center but to the Phase II housing project as well.

The Phase II request is for $20.5 million, the exact amount and use to be further defined in the process leading to the final selection of a private developer. It is currently anticipated that $16 million of this amount be used to provide part of the permanent financing for the development of 400 moderate and 800 market-rate units. The balance, $4.5 million would be used for public improvements, perhaps landscaping of Mt. Vernon Street and circulation improvements in the development parcel, including improved pedestrian and vehicular access to the waterfront, and for UDAG administration. The total private investment in this phase is expected to be in the range of $80 to $90 million.

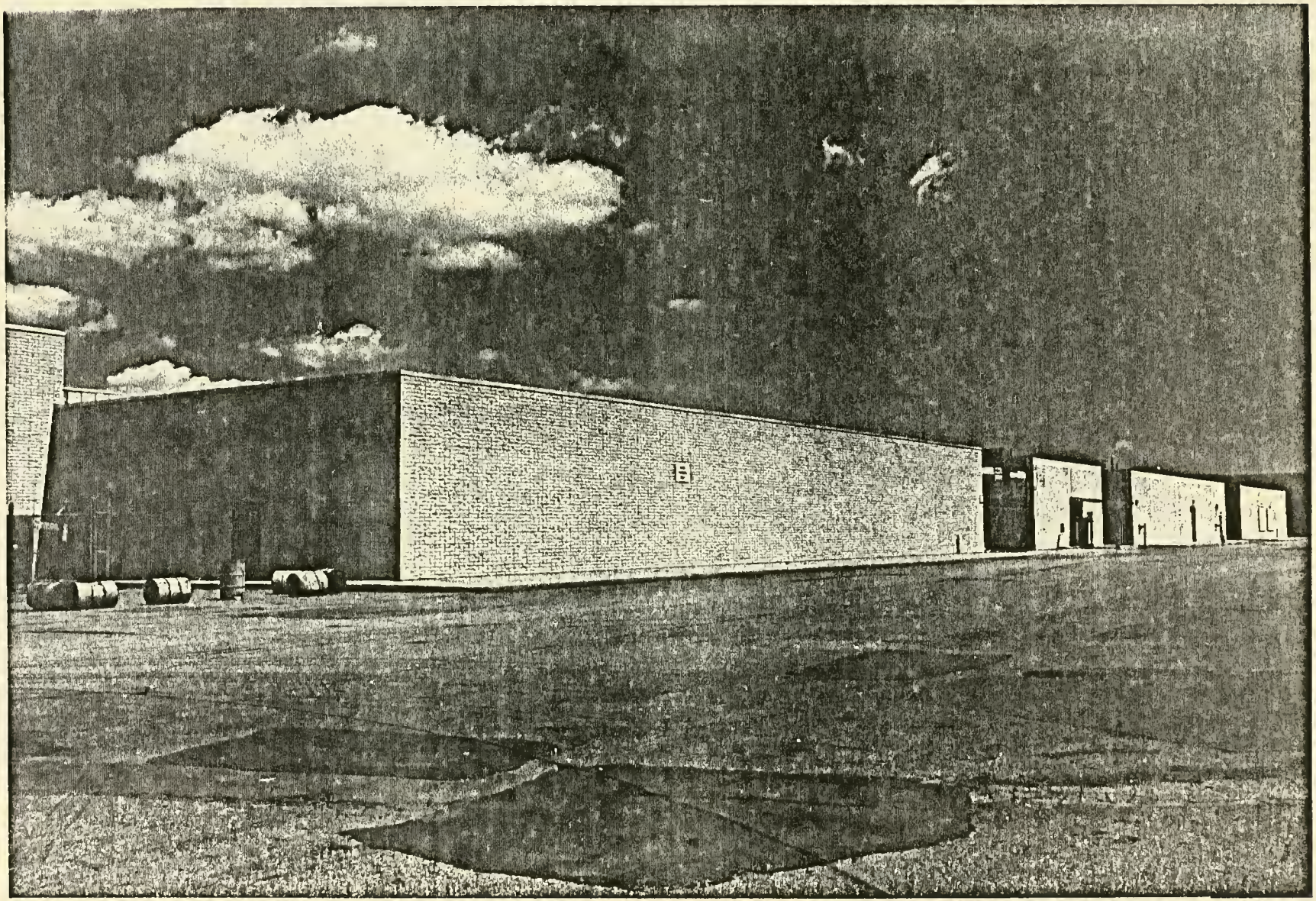


Illustration 3.
BAYSIDE MALL

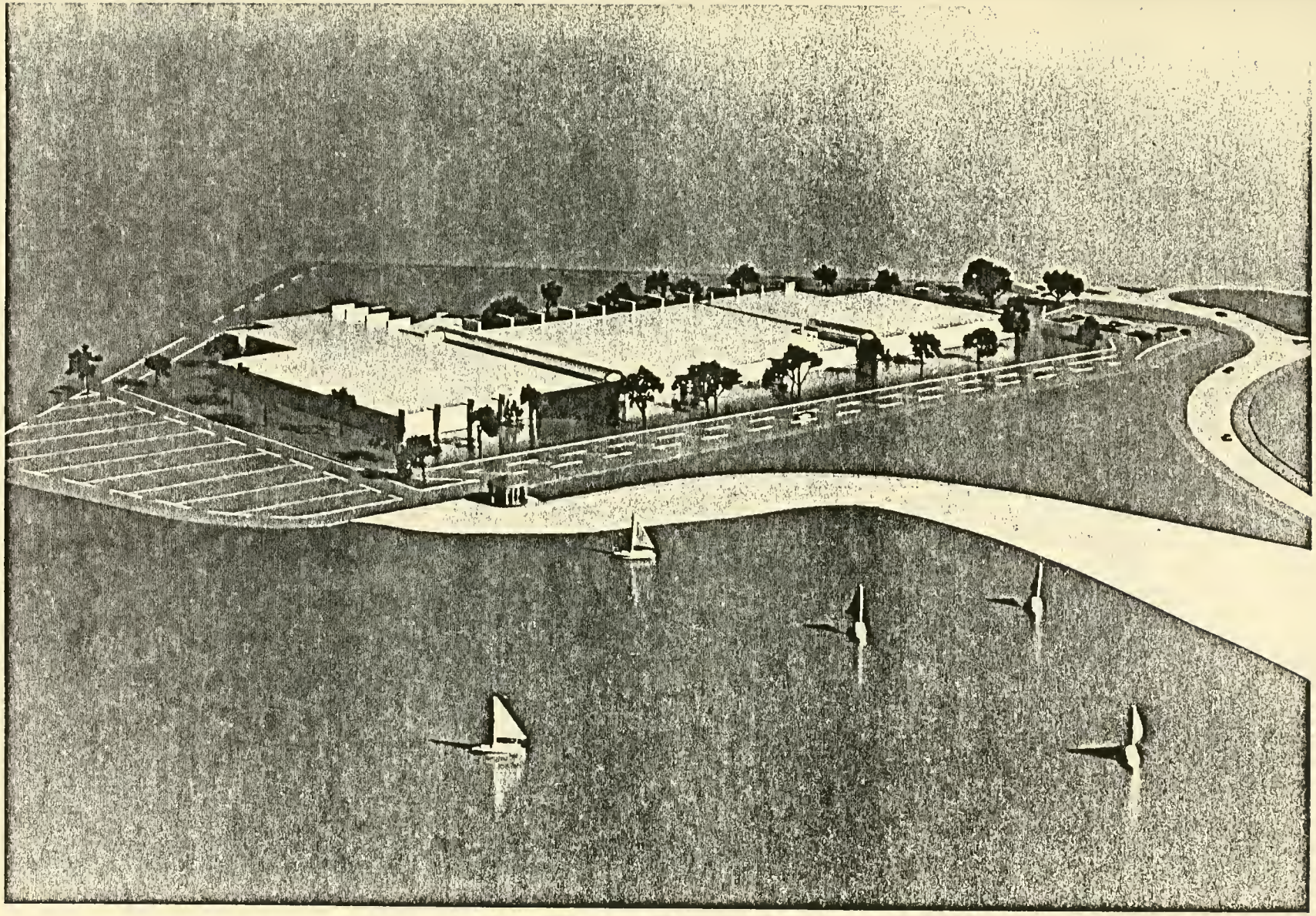


Illustration 4.
MODEL OF BAYSIDE EXPOSITION CENTER

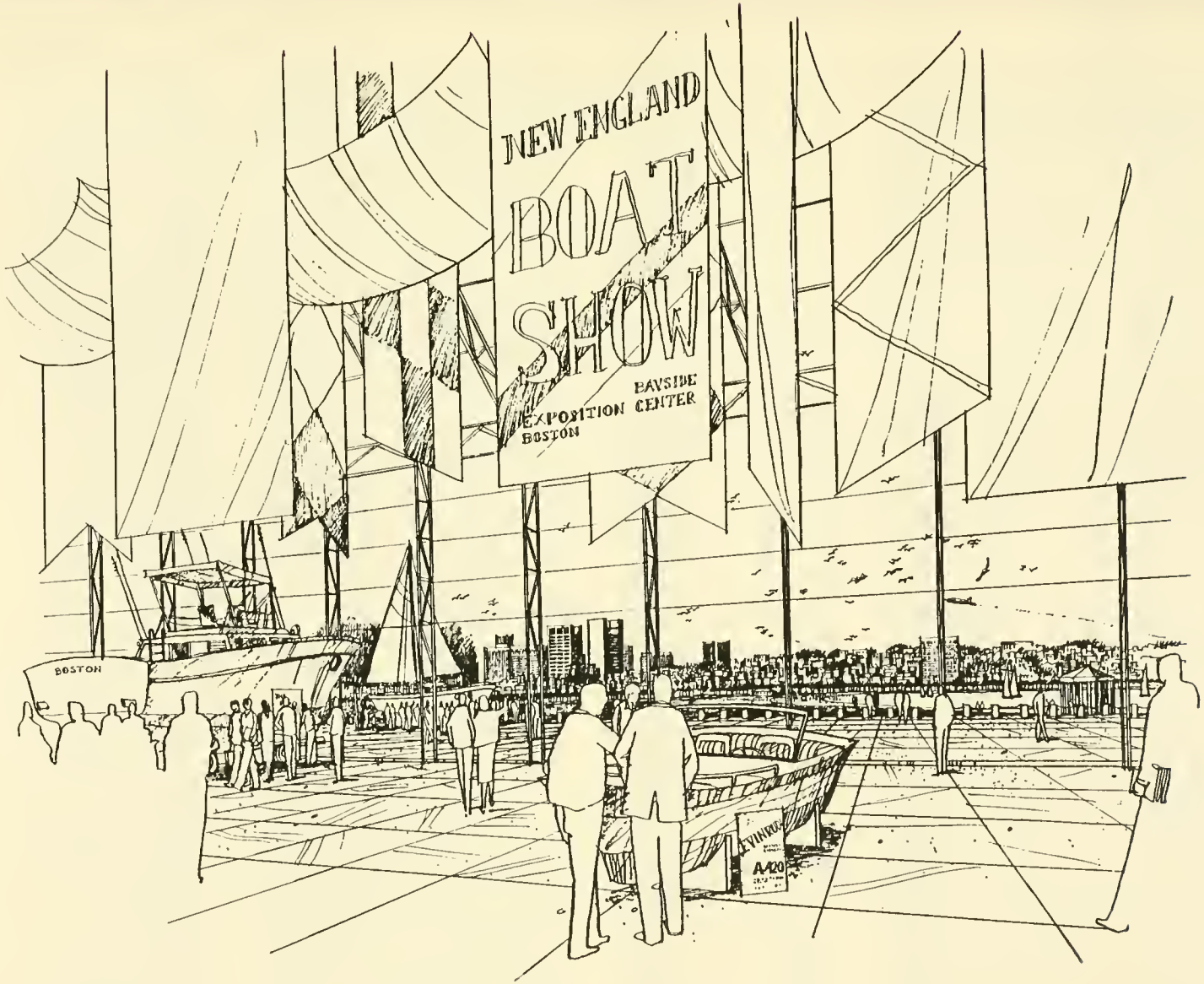


Illustration 5.
RENDERING OF INTERIOR OF
BAYSIDE EXPOSITION CENTER

II.B.6.b. Phase I Project Description

The proposed Phase I Project - Bayside Exposition Center - involves the acquisition of a virtually empty shopping mall and its conversion into the largest trade center in New England. The Bayside Exposition Center will encompass a total of 292,000 gross square feet: 72,000 gross square feet of permanent apparel showrooms and 220,000 gross square feet of exhibition space. The exhibition space will accommodate both trade and gate shows and will be divisible into two separate halls of 60,000 and 160,000 gross square feet, respectively.

The Bayside Exposition Center will cater primarily to the public gate show market, thus answering the serious problem created by the recent closing of the Commonwealth Pier Exposition Center, a facility with 184,000 sq. ft. of exhibition space. It will also allow gate shows presently using the downtown Hynes Auditorium to move out of that congested location to a site more accessible to their principal audience, which tends to arrive by private automobile. This will free the Hynes for conventions that utilize downtown hotels and have been unable to come to Boston because of the lack of open dates.

In addition to the gate shows, the Exposition Center will have permanent showrooms for the Women's Apparel Group, made up of regional clothing distributors. They will also use the exhibition space for their own regional shows a number of times a year.

The Bayside Exposition Center will be operated by Conventures, Inc., a full service exhibition management corporation. The operators estimate that the center can begin operation by early-1983 and already have shows interested in for up to 180 days during the first full-year of operation.

Bayside Associates, a joint venture of the O'Connell Development Company, Inc., and Corcoran, Mullins, Jennison, Inc., will supply $1,106,204 in private funds to rehabilitate the Bayside Mall property. Construction financing of approximately $8,800,000 will be provided by State Street Bank and Trust Company. Permanent financing will include a $5,265,000 purchase money mortgage from the John Hancock Mutual Life Insurance Company, present owners of the Mall, $7,300,000 industrial revenue bond from the State Street Bank and Trust Company, and $1,106,204 in developers' equity contributions. A UDAG loan of $2,250,000 is being sought to complete the permanent financing of the project. This below-market rate loan is needed to reduce the project's debt service and make the project financially feasible. An option on the site has been taken by Bayside Associates until the UDAG is approved.

Bayside Associates will be responsible for all work on the Exposition Center including acquisition, rehabilitation of the Exposition structure, and landscaping and reordering of the parking lot, needed to serve the development's new users. The Boston Redevelopment Authority will oversee the project and will design and contract for the public improvements. The BRA will approve construction and landscaping plans for the Exposition Center. The BRA will also administer the repayment of the UDAG loan and allocate these funds to the Phase II housing.

In addition, a Phase I UDAG funding of $2.1 million is being requested to provide public improvements critical to the success of not only Bayside Exposition Center, but Phase II housing as well. These would include new vehicular entrances into Columbia Point both from the north from Day Boulevard to Mt. Vernon Street and from the south from the UMass loop road to Mt. Vernon Street. The BRA acting as agent for the City would be responsible for the engineering and construction of these improvements.

The Action Grant will leverage approximately $15 million in private investment to make possible the complete renovation and rehabilitation of this physically deteriorated and predominantly vacant structure into the largest trade center in New England.

The Bayside Exposition Center is a unique and extraordinary economic development opportunity for Boston, with the following significant benefits:

- o A stimulus for development of Phase II of the Columbia Point Peninsula Revitalization Program including up to 1,600 units of new housing and supporting commercial activity.

- o 538 new permanent jobs

  - 450 new permanent garment industry showroom jobs
  - 88 new permanent Exposition Center jobs

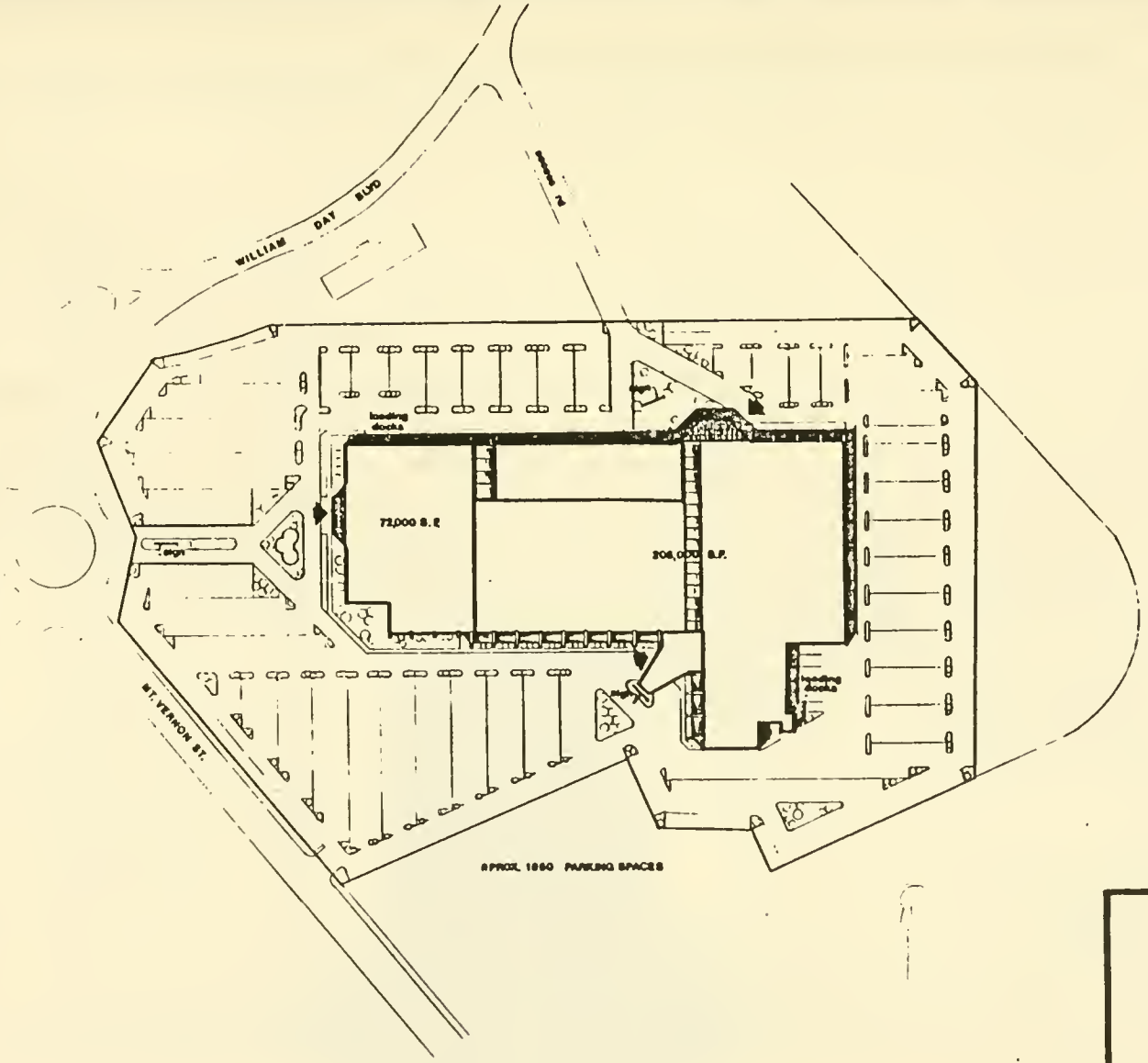
- o 175 temporary construction jobs

- o Approximately $465,000 per year in tax dollars to the City.

1. Site Information

The Bayside Mall property encompasses 21 acres at the neck of Columbia Point with its entrance at the intersection of William Day Boulevard and Mt. Vernon Street. The mall itself includes four adjacent but free standing buildings which were originally built for retail stores. These single level buildings cover 280,000 square feet with the remainder of the site given over to paved parking. (See Exhibit IIB6-1, Site Plan for Phase I - Bayside Exposition Center.)

Improvements to property will include rehabilitation of the building shells and changes to the exterior of the buildings to emphasize their new uses. This will include extensive reconstruction of the entrances to make them appropriate for their new uses. The building interiors will be converted to suit their functions as showrooms and exhibition spaces between the exhibition buildings will be covered over and converted to interior corridors that can be used by vendors, food services, etc. The parking area will be rehabilitated as needed, extensively landscaped and lighted, and re-oriented to serve the property's new functions.

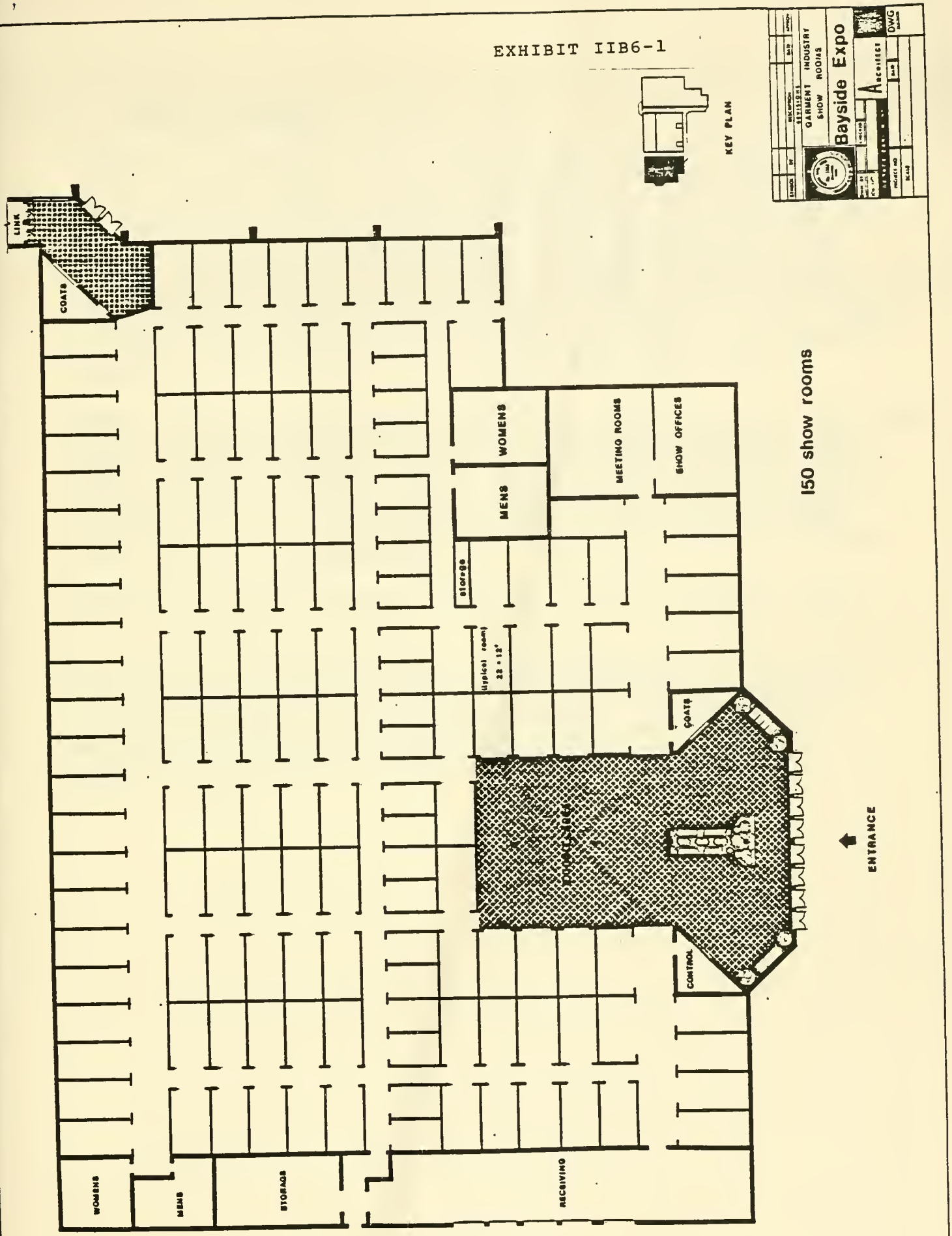


LOCUS PLAN

EXHIBIT II B6-1 PHASE I
SITE PLAN, BAYSIDE
EXPOSITION CENTER

COLUMBIA POINT PENINSULA
REVITALIZATION PROGRAM

EXHIBIT IIB6-1



2. Property Information (See Exhibit IIB6-2)

The property is presently owned by the John Hancock Mutual Life Insurance Company, which held the original mortgage on the mall and foreclosed when the retail operation failed. Bayside Associates has an option to purchase the property and will exercise this option upon approval of the UDAG. The option is subject to a prior option to purchase one of the buildings by the Boston Teachers Union, which presently occupies that building as its headquarters. Their continued occupancy and/or purchase of that building will not affect the establishment and operation of the Exposition Center. Should the Teacher's Union exercise their option to purchase, the sale price would be used to reduce the mortgage to be held by John Hancock Insurance Company. (See Appendix for Boston Teachers' Union Lease with John Hancock Mutual Insurance Company.)

There has been no recent appraisal of the parcel. The City Assessing Department shows a current assessment of $1,525,000. Assuming that this is the typical 13.9% of full market value, the property would be worth $10,971,223. This figure is clearly not realistic, however, as long as the property is essentially vacant and must be extensively rehabilitated before it will serve an economically feasible purpose. The proposed sales price for the property has been voluntarily agreed upon by two private parties and thus is the best indication of the property's fair market value.

The property already is zoned for commercial use so that no action is necessary in this respect.

The property is very well suited to the proposed use. Its one-level construction, 16½-25 foot ceilings, easy truck access, and modern utilities make it ideal for exhibitors. Existing parking is adequate for its anticipated users. The facility is adjacent to the Southeast Expressway, one mile from the Massachusetts Turnpike, and a 2-minute walk from a rapid transit station, so that there is easy access for exhibitors and patrons, as well. (See Exhibit II.B.6-3.)

EXHIBIT II.B.6-2

Property Information
Bayside Exposition Center

ACTIVITY	LAND	BUILDINGS	TOTAL
Acquisition	$ 553,100 (10%)	$ 4,977,900 (90%)	$ 5,531,000
Improvements	500,000	7,318,040	7,818,040
TOTAL	$1,053,100	$12,295,940	$13,349,040
Area	1,155,962 sq. ft.	292,000 sq.ft.	
Cost Per Square Foot	$ .91	$42.11	

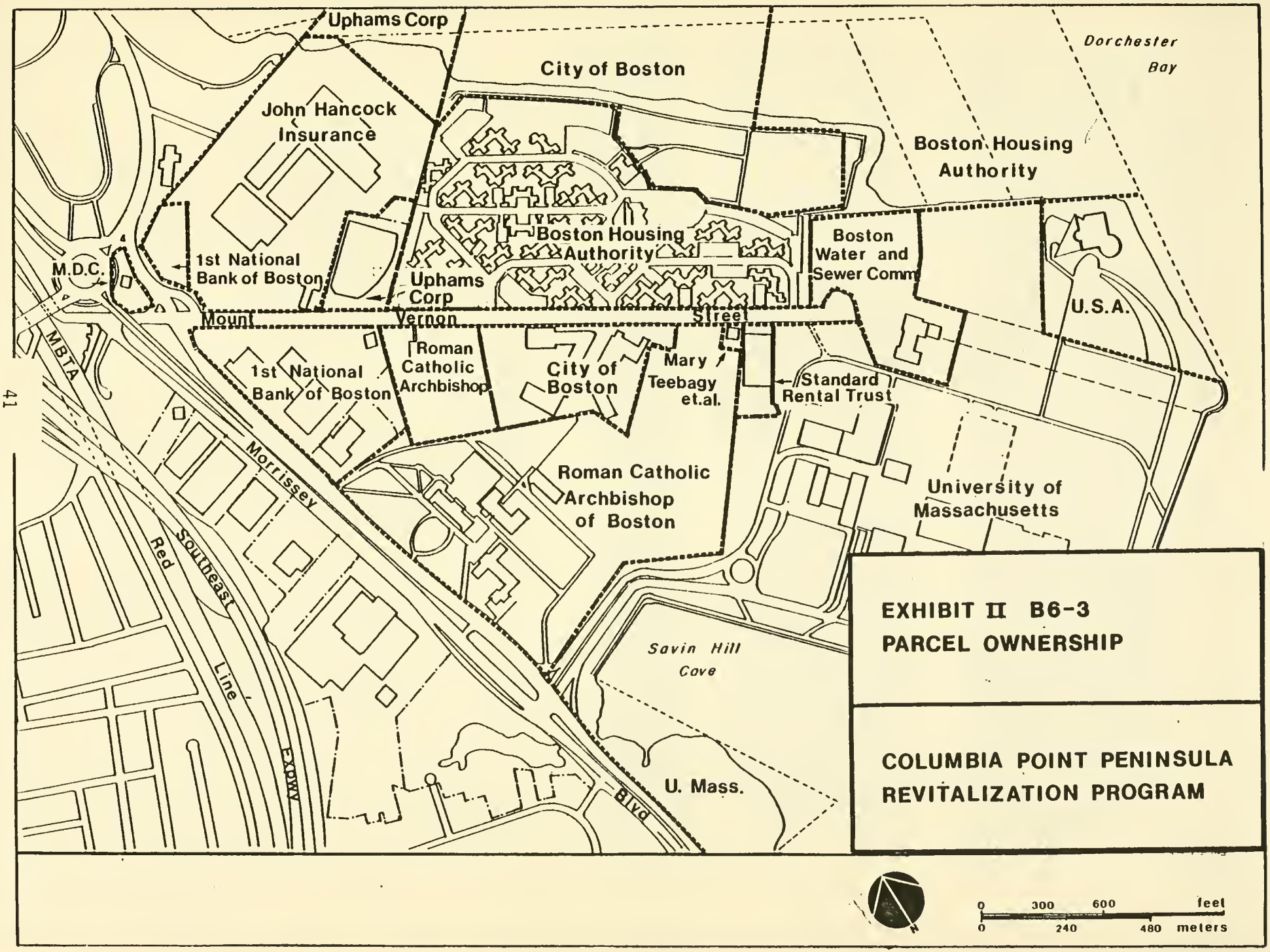


EXHIBIT II B6-3
PARCEL OWNERSHIP

COLUMBIA POINT PENINSULA
REVITALIZATION PROGRAM

3. Public Improvements (See Exhibit II.B.6-4)

As a peninsula, Columbia Point is, by definition, quite isolated from the larger community. However, this isolation is exacerbated by the awkward, indirect and unimposing entrance to Mt. Vernon Street from Day Boulevard/-Kosciuszko Circle and by the local gate which prevents access between the Kennedy Library/UMass end of the peninsula and the housing project areas. Thus, Mt. Vernon Street is presently a four-lane-with-median dead-end roadway. This system is barely acceptable from a functional point of view now, with a nearly vacant shopping center and a 400-out-of-1,504-occupied-unit housing project; clearly it will not be acceptable functionally or aesthetically with the substantially intensified development created by Bayside Exposition Center and the Phase II housing.

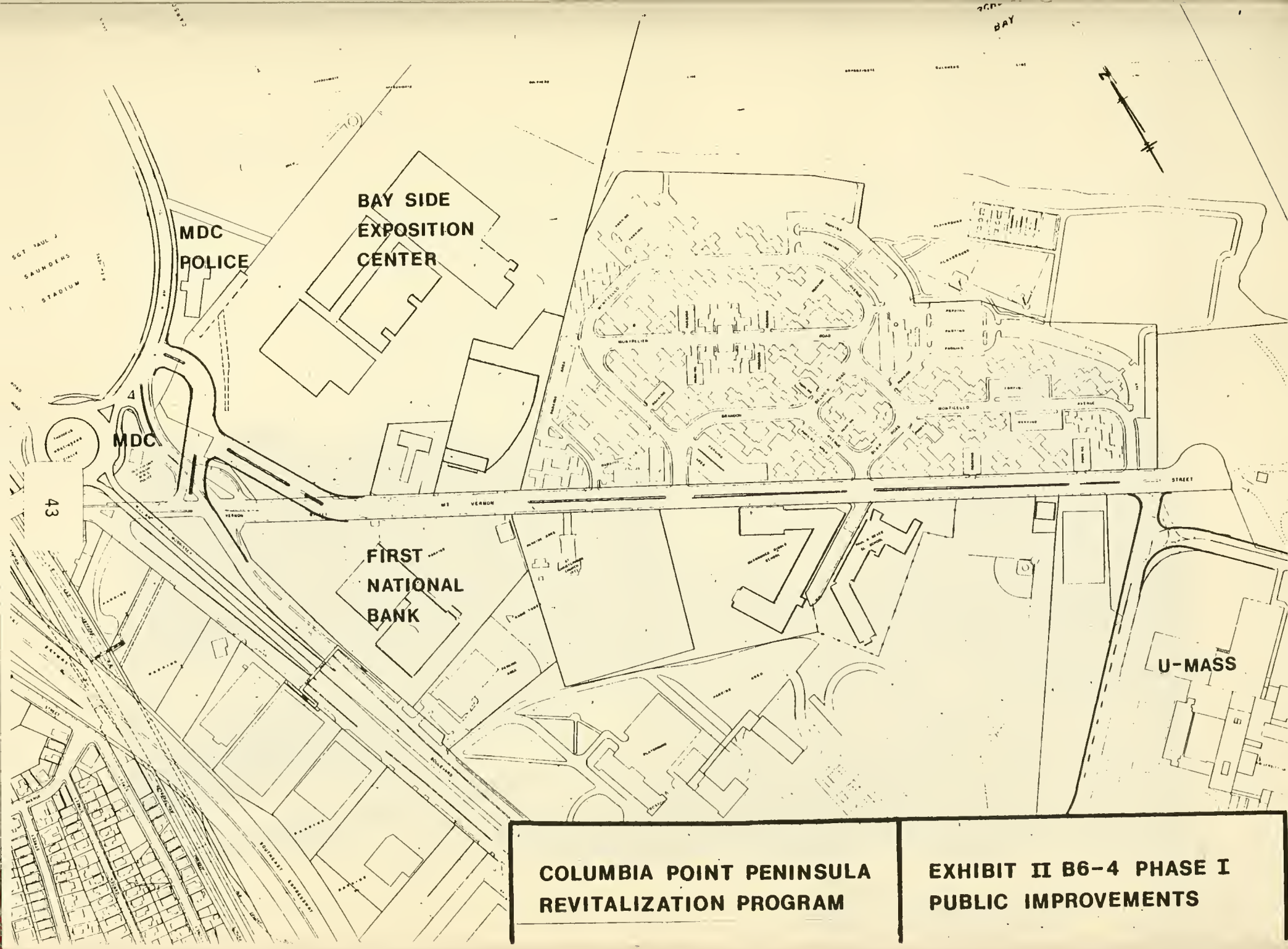
A new, more direct and attractive entrance from Day Boulevard, capable of handling higher traffic volumes, and of providing a stronger connection to the outside community, is thus necessary for the success of Bayside Exposition Center in particular, which expects as many as 30,000 visitors a day to the Flower Show for instance. However, it is also critical to the new housing community whose success will be dependent on making strong connections to the rest of the city. In the same way, physically and psychically integrating the southern (Kennedy Library/UMass) end of the peninsula to the northern end (Bayside Expo Center/Phase II housing) by a strong vehicular and pedestrian connection is also important.

Therefore, due to the fact that the City has no funds to make these public improvements, and can identify no other sources of funding that could be made available within a reasonable period of time, the BRA is including in its Phase I UDAG request, $2,100,000 to pay for engineering and construction of these important access and circulation changes. The budget for these improvements is as follows:

Public Improvements - Phase I
(Preliminary Costs)

UDAG Budget

Engineering/Design (15% of Construction)	$ 300,000
New Entrance from Day Boulevard to Mt. Vernon Street	1,300,000
New Connection from UMass Loop Road to Mt. Vernon Street	500,000
Total	$2,100,000



COLUMBIA POINT PENINSULA
REVITALIZATION PROGRAM

EXHIBIT II B6-4 PHASE I
PUBLIC IMPROVEMENTS

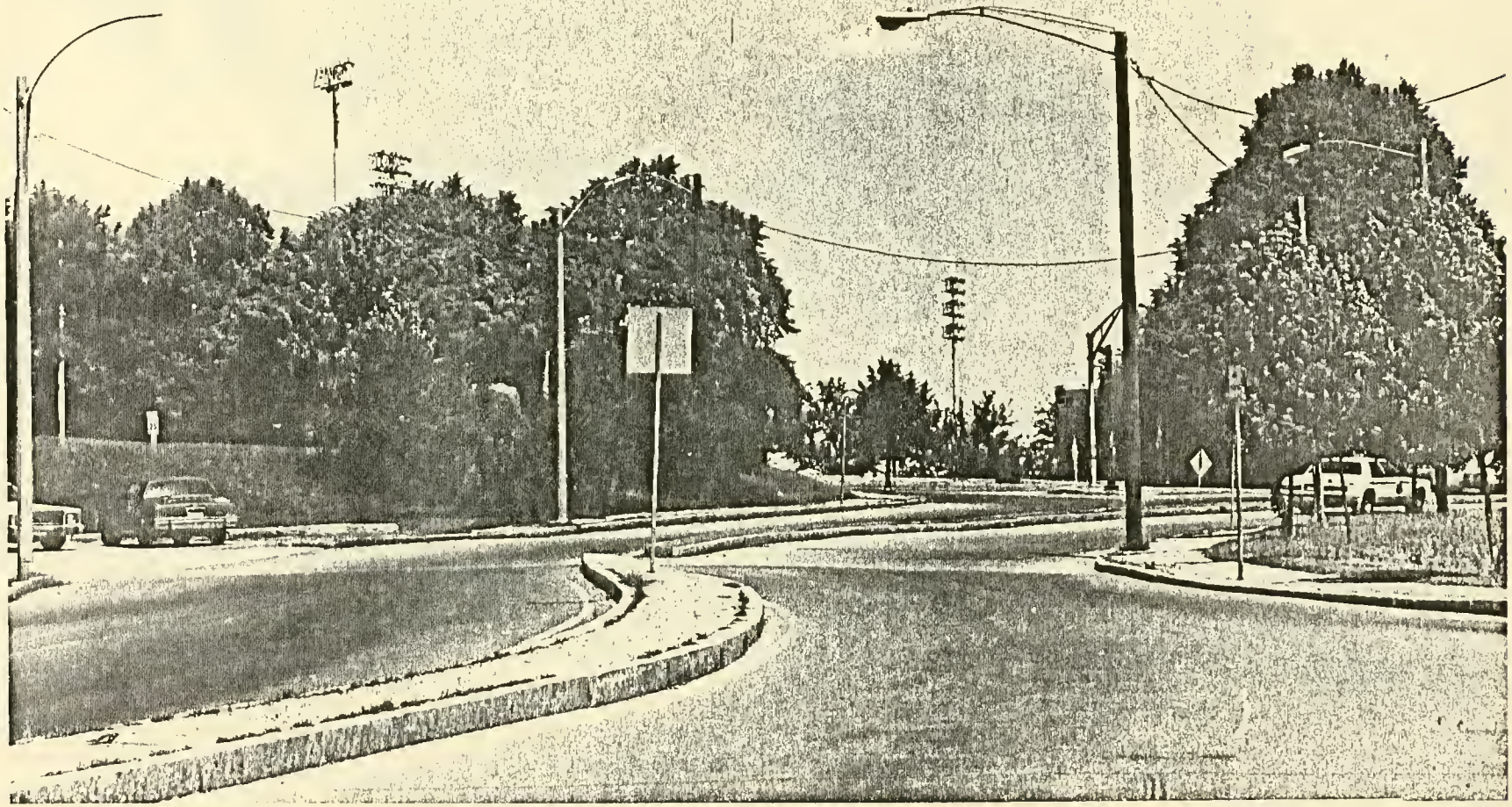


Illustration 6.
PHASE I PUBLIC IMPROVEMENTS-
PRESENT ENTRANCE FROM DAY

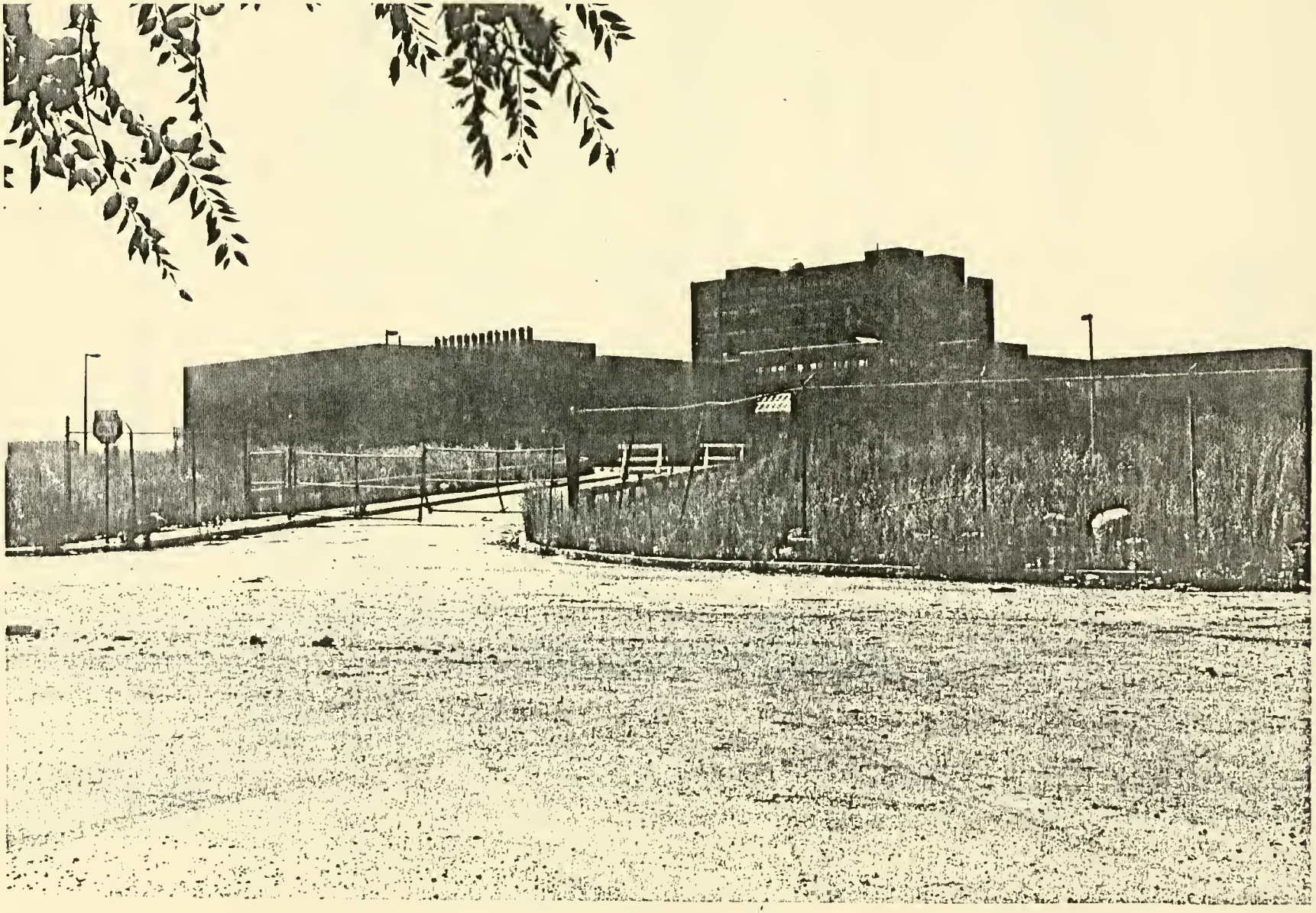


Illustration 7.
PHASE I PUBLIC IMPROVEMENTS -
PRESENT ENTRANCE FROM UMASS
LOOP ROAD TO MT. VERNON ST.

EXHIBIT II.B.6-5a

BAYSIDE EXPOSITION CENTER
PROJECT BUDGET - PHASE I*

Acquisition Costs	
Land Price	$ 5,265,000
Real Estate Brokers Fee	235,000
Option Payment	31,000
Total:	$ 5,531,000
Construction Costs	$ 7,818,040
Soft Costs	
Architectural and Engineering	$ 345,000
Legal	
Acquisition and Development	50,000
Financing	50,000
Leases	10,000
Consultants	37,000
Insurance During Construction	15,000
Marketing	50,000
Real Estate Taxes (5 mos.)	135,770
Land Debt Service on (10.91% x 5 mos. x $5,265,000)	239,338
Financing Fees	
IRB (1/2% x $7,300,000)	36,000
Construction Loan (1/2 x $8,800,000)	44,000
Miscellaneous Fees	7,000
Construction Loan Interest (18% x 6 mos. x .5% x $8,800,000)	396,000
Developer's Fee (10% of construction costs)	781,804
Rent-up Reserve	250,000
Subtotal of Soft Costs:	$ 2,446,912
Contingency (5% of subtotal)	122,436
Total Soft Costs	2,569,258
TOTAL DEVELOPMENT COSTS	$15,918,298

* See Appendix for Notes on Development and Operating Proformas.

EXHIBIT.B.6-5b

BAYSIDE EXPOSITION CENTER
PHASE I

NOTES ON FINANCING

I. Construction Financing

A. Total Amount to be Financed = $14,043,658

1. Acquisition Costs = $ 5,531,000
2. Construction Costs Less Contractor's Profit = $ 7,493,640
3. Soft Costs Less Construction Loan Interest, Developer's Fee, Rent-up Reserve and Contingency = $ 1,019,018

B. Sources of Financing = $14,043,658

1. Land Mortgage = $ 5,265,000
2. Construction Loan = $ 8,778,658

II. Permanent Financing

A. Total Amount to be Financed = $15,918,298

1. Acquisition Costs = $ 5,531,000
2. Construction Costs = $ 7,818,040
3. Soft Costs = $ 2,569,258

B. Sources of Financing = $15,918,298

1. Land Mortgage = $ 5,265,000
2. UDAG Loan = $ 2,250,000
3. Developer's Fee and Contractor's Profit = $ 1,106,204
4. Industrial Revenue Bonds = $ 7,297,094

EXHIBIT II.B.6-6

BAYSIDE EXPOSITION CENTER

DETAILED PHASE I CONSTRUCTION COST BUDGET

Exhibition Space - 220,000 Square Feet - $9.50/Sq. Ft.

Equipment Furnishings	$ 348,000
Demolition	150,000
HVAC	1,000,000
Electric	400,000
Flooring	100,000
Ceiling	100,000
Roof	100,000
Food Service	250,000
	$2,458,000

Garment Showrooms - 72,000 Sq.Ft. - $26.80/Sq.Ft.

Demolition	50,000
HVAC	500,000
Electrical	300,000
Plumbing/Sprinkler	250,000
Roof	50,000
Carpeting	150,000
Partitions	100,000
Door & Hardware	75,000
Glass	50,000
Special Hardware	75,000
Painting	50,000
Plumbing/Bath	80,000
Tile Work	40,000
Rough Carpentry	75,000
Finish Carpentry	85,000
	$1,930,000

Shared Costs

Structural Evaluation	200,000
Building Exterior	400,000
Site Work (Parking Area, Landscaping)	500,000
New Construction (Walkways, Glass Enclosures)	1,000,000
	2,100,000
Sub Total	6,488,000
General Conditions (10% of sub total)	648,800
Contractor Overhead (5.5% of sub total	356,840
Contractor's Profit (5% of sub total)	324,400
Total Construction Costs	$7,818,040

Illustration 8.
COLUMBIA POINT HOUSING PROJECT
FROM WATER'S EDGE

II.B.6.c. Phase II Project Description

Phase II of the Columbia Point project will be the development of up to 1,600 units of mixed-income housing on a 50-acre site adjacent to the Phase I Bayside Exposition Center. This phase will take place on land which is owned by the Boston Housing Authority and the City of Boston so the land can be made available in a timely fashion to a private developer. This private developer will be selected through a competition process by the BRA, BHA, and the Columbia Point Community Task Force, with the concurrence of HUD.

The development of this phase is intended to include 400 units of low-income housing, 400 units of moderate-income housing and up to 800 units of market housing with necessary supporting retail, recreational and community facilities.

A number of public and private efforts over the last decade has focused on plans and designs for the peninsula and its constituent elements. Out of this process has emerged a general concensus among the parties for the kind of mixed-income, racially integrated housing community proposed for Columbia Point. The design and development requirements and guidelines were very specific in former drafts of the developer's kit. Now due to changed circumstances, the kit gives the private developer considerably more flexibility in dealing with Phase II's 1600 unit mixed-income housing program. The developer, however, must guarantee 400 units of low-income housing for the life of the project. Initially, they would be for present tenants who want to continue living at Columbia Point, but in the longer-term to assure a low-income presence in the new neighborhood.

Since Phase II is to occur primarily on the BHA public housing site, which is presently intensively developed with mid-rise and walk-up buildings containing 1500 units, it has always been known that a major part of the redevelopment will be the rehabilitation of many of these structurally sound buildings after selective demolition had occurred. The balance of this phase will be new construction.

Phase II will consist of six operations:

1. Developer Selection Process

   The BRA, BHA and Tenant's Task Force, with the concurrence of HUD intend to start the process for the competitive selection of the most qualified developer for the Phase II housing by the end of August, 1982. At that time, the developer selection kit for Phase II will be advertised nationally, requesting qualifications from interested developers. After reviewing these submissions, the parties will select three to five finalists. These then will be asked to submit full development proposals with considerable financial and design requirements.

   The BRA, BHA, and Tenants' Task Force will carefully review and analyze these comprehensive submissions, and after negotiations with the finalist developers will make a selection and tentative designation based on criteria outlined in the developer's kit. It is the intention of the parties to choose a developer best able to:

a. Achieve the physical development objectives, namely the construction of 1,200-1,600 units of new and rehabilitated housing units, related community facilities, streets, open spaces and recreational areas.

b. Achieve the social development objectives, namely an economically and racially mixed community integrated into the life of the City of Boston.

c. Achieve the financial objectives, namely a willingness and ability to carry out and maintain the development with minimal reliance on public funding or subsidies and to offer a purchase or lease price for the project property that will enable the BHA to repay as much of the outstanding indebtedness on the Columbia Point project as possible, consistent with the highest quality development.

d. Achieve the management objectives, namely the involvement of residents, including the Task Force in decision-making about the development and on-going operations of the project.

e. Achieve the affirmative action objectives, namely to take affirmative action in hiring minority persons and public housing residents for construction and permanent jobs and to attain racial integration goals in residential occupancy of the housing units.

f. Assure fully adequate operating funds for at least 400 units of low-income (public housing eligible) housing throughout the life of the development.

After satisfying a number of conditions, including financial commitments for the 400 low-income units, the 400 moderate-income and 800 market-rate units, approval of designs, and engineering work, and securing of all permits and approvals, final designation will be given to the developer who will be obligated to proceed on an agreed-to schedule.

2. Control of Site by the Developer

During the period of tentative designation, the private developer will work out with the BHA and the City of Boston, present owners of the Phase II housing parcel, an agreement whereby he will gain control of the land. This could be either through purchase or long-term lease.

3. Design and Engineering

As a result of a number of special factors at Columbia Point, including its unique waterfront location, its relative isolation from the rest of the city, the present unintegrated state of the peninsula, the need for architecturally minimizing differences between housing for different incomes, difficult soil conditions, etc., the planning, design and engineering efforts required for Phase II will have to be particularly skillful and sensitive. The review and approval of plans and designs for the housing and accompanying public improvements will thus be an unusually demanding element.

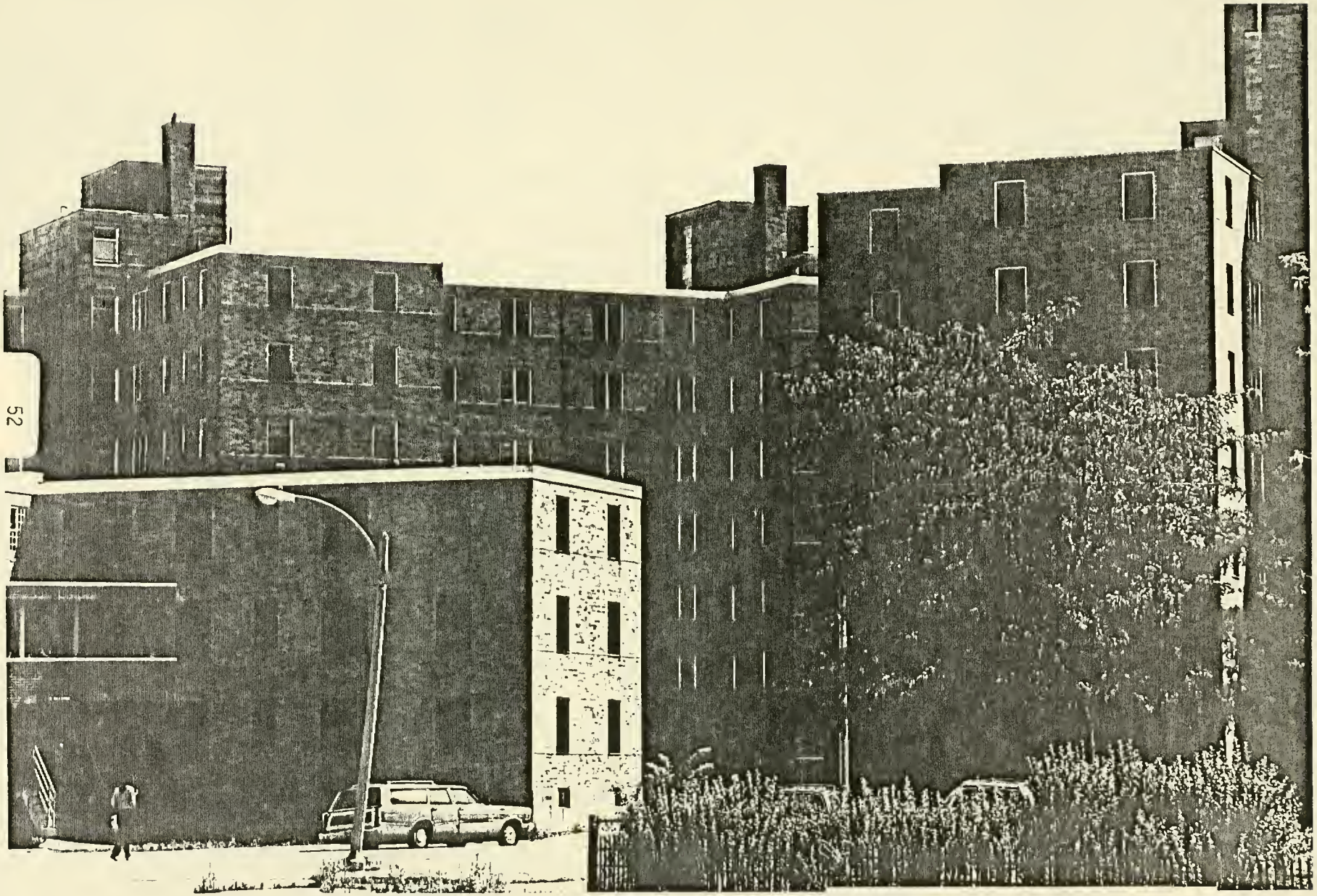


Illustration 9.
WALK-UP BUILDING AND BOARDED-UP
MID-RISES, COLUMBIA PT. HOUSING
PROJECT

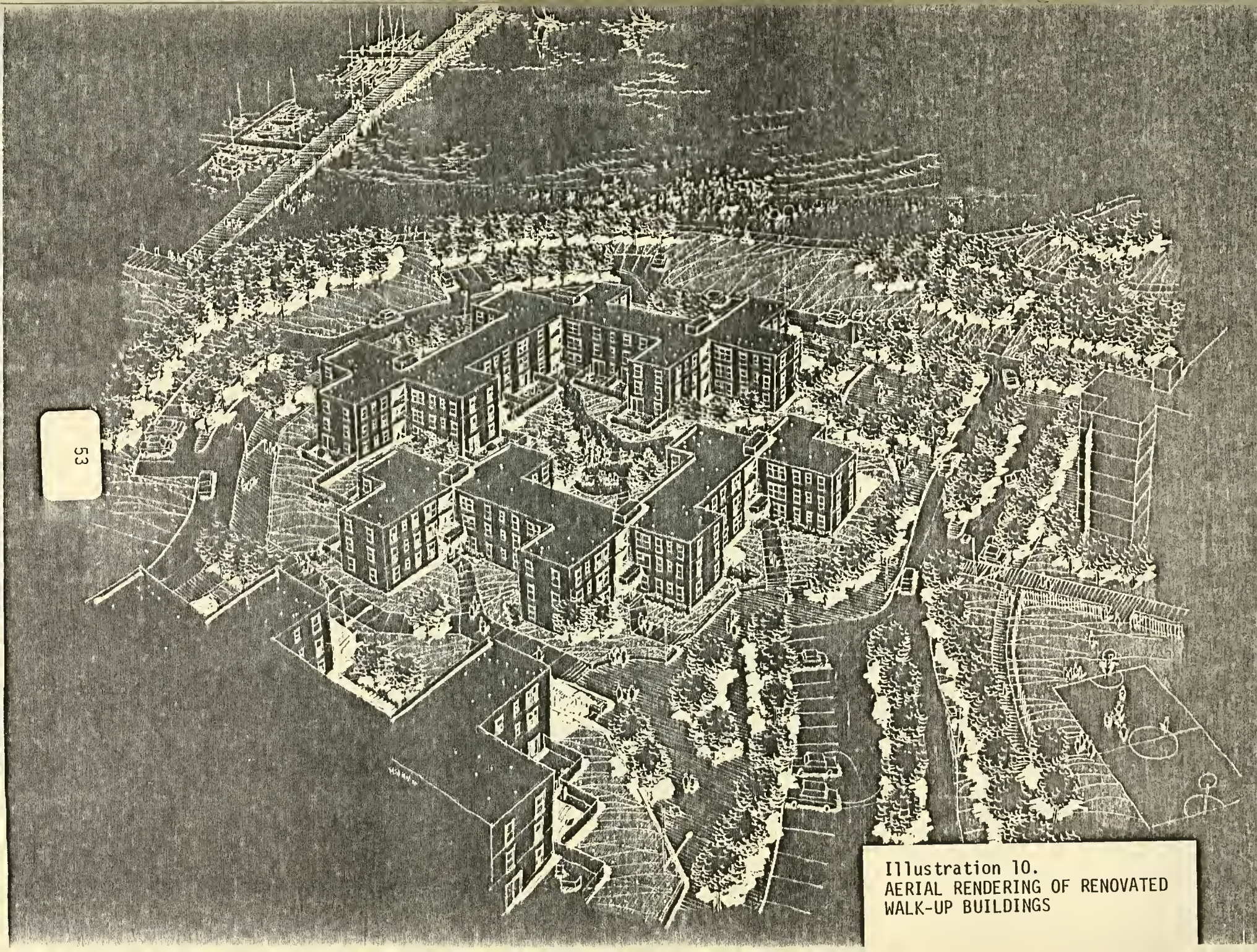


Illustration 10.
AERIAL RENDERING OF RENOVATED WALK-UP BUILDINGS

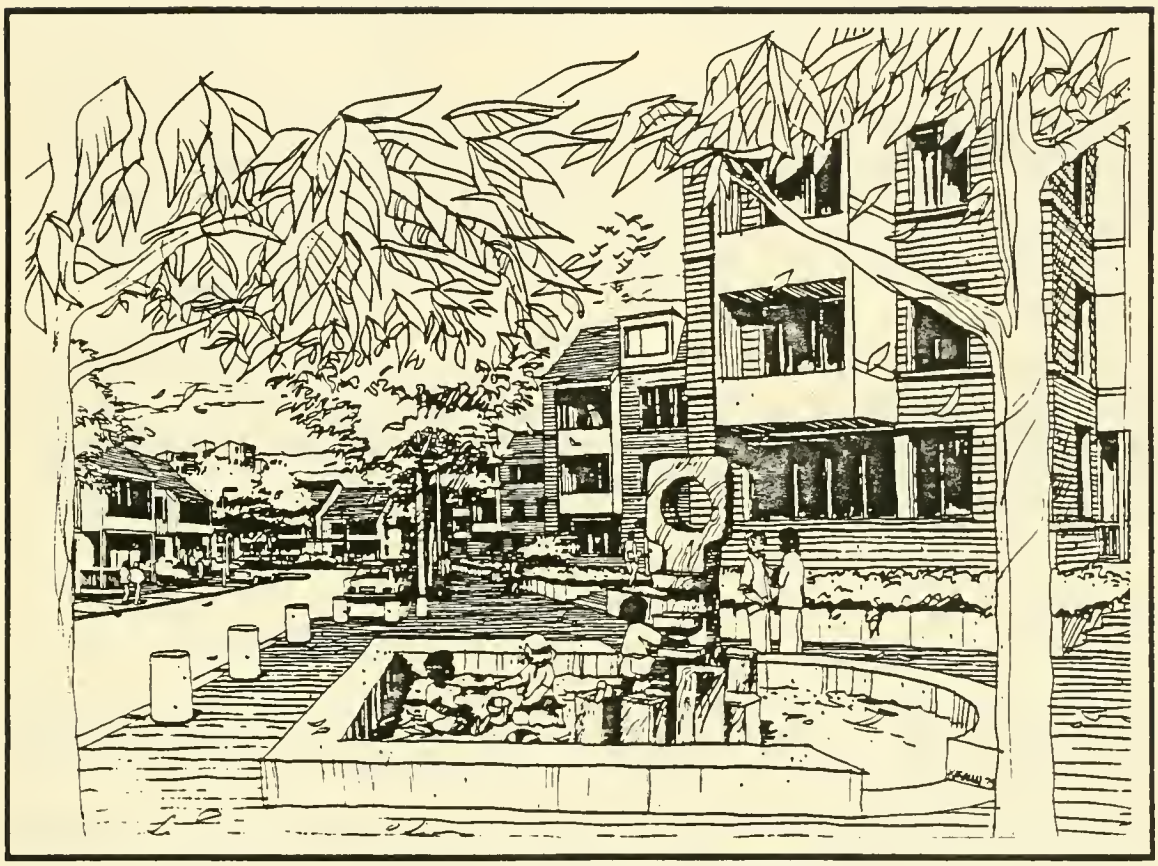


Illustration 11.
RENDERING OF RENOVATED WALK-UP BUILDINGS

4. Rehabilitation of Existing Buildings and New Construction, including Temporary Relocation of Present Tenants

Due to the high density of certain areas of the present BHA public housing project, it has been assumed for some time that the developer will propose the demolition of some of the buildings as well as a reduction in height of others. Those remaining buildings will be extensively rehabilitated, both on the interior, and the exterior with the newly-constructed dwelling units being considerably larger than the present ones. Whatever new construction occurs will be primarily of a townhouse type and will need to be compatible with the existing walk-up buildings.

It is possible that the private developer may need to temporarily relocate some or all of the present tenants during the course of construction.

5. Marketing and Leasing

Because of the generally negative public image of Columbia Point now, the developer will have to commence very considerable marketing efforts quickly so that tenants will be attracted there when units are ready for leasing. The successful operation of Bayside Exposition Center will be of key importance in improving this image, but the developer will have his share to do also.

6. Management

At the time of tentative designation, the private developer will be required to assume management responsibility for the public housing project. It is hoped that private management will be able to improve the operation of this troubled project and to upgrade the quality of life for the present tenants.

The developer will continue managing the Phase II project after construction is complete.

As part of Phase II of the project, the City's comprehensive plan for the Columbia Point Peninsula calls for the redevelopment of two parcels currently under option to Bayside Associates. These are parcels #01 and #02.

The first parcel is to contain a 30 foot recreational easement which will continue the public waterfront use from the adjoining Metropolitan District Commission beach to the future waterfront recreational development of the Boston Housing Authority and City of Boston properties. Any new development of Parcel #01 adjoining the recreational area will be established in the Development Agreement.

The second parcel is to be redeveloped in conjunction with the construction of mixed-use housing in Phase II. The plan calls for a minimum of 20,000 square feet of neighborhood commercial uses, including a food store and other retail outlets, and an additional minimum of 10,000 square feet for restaurants.

Accordingly, as part of Phase I of the project, the Boston Redevelopment Authority has entered into a development agreement with Bayside Associates (included as an appendix to this application). This agreement establishes

that the developer will convey to the Boston Redevelopment Authority a thirty foot recreational easement on the first parcel and, if he redevelops the remaining portion, will restrict its use to residential development.

Secondly, the agreement establishes that the second phase will be developed for neighborhood commercial uses in conjunction with the recreational development of Phase II. The developer will undertake to carry out a development program approved by the BRA in conjunction with the start of Phase II construction for at least 1,200 units. If the developer should fail to meet this commitment, the BRA has the right to advertise for and select another Developer for this parcel.

By entering into this agreement, the developer makes certain that the Bayside Exposition Center will constitute Phase I of a unified comprehensive plan extending from the present mall along the water's edge to the present Boston Housing Authority and City properties.

Public Improvements

The Phase II public improvements will continue the access and circulation changes planned for Phase I to connect the peninsula more directly, effectively and attractively to the larger community. These second phase improvements will concentrate on upgrading circulation and public amenities on the interior of the peninsula. While the exact definition of these will have to await the selection of the private developer and his plans, it is expected that they might include the landscaping of Mt. Vernon Street, circulation improvements within the Phase II housing parcel, and upgraded vehicular and pedestrian access to the waterfront and to the Bayside/retail. area. A reasonable reservation of funds for the engineering and construction of improvements such as these is estimated at $4.5 milion.

Site Information

The Phase II development site of two parcels encompassing approximately 50 acres is presently owned by the Boston Housing Authority and the City of Boston Public Facilities Department.

The BHA parcel of 37.7 uplands acres is the site of the Columbia Point housing project which consists of 3 one-story, non-residential buildings and 1,504 housing units in 15 seven-story and 12 three-story buildings. However, only 25% of the existing units are currently occupied. Nine of the seven-story buildings and one three-story building are completely vacant and boarded and three others are partially boarded. The fourteen remaining residential buildings are occupied by approximately 1,500 people (360 families and 40 elderly or handicapped residents). An additional seventy-five apartments are occupied by 12 social service agencies.

The low-rise buildings are generally located along Mt. Vernon Street and the westerly portion of the site. The mid-rise buildings form a dense central core and continue to the easterly edge. The low-rise buildings and central mid-rise buildings, if occupied, house predominantly families. Two mid-rise buildings on the eastern end of the development, Buildings #26 and #27, are partially occupied by the 40 elderly or handicapped residents.

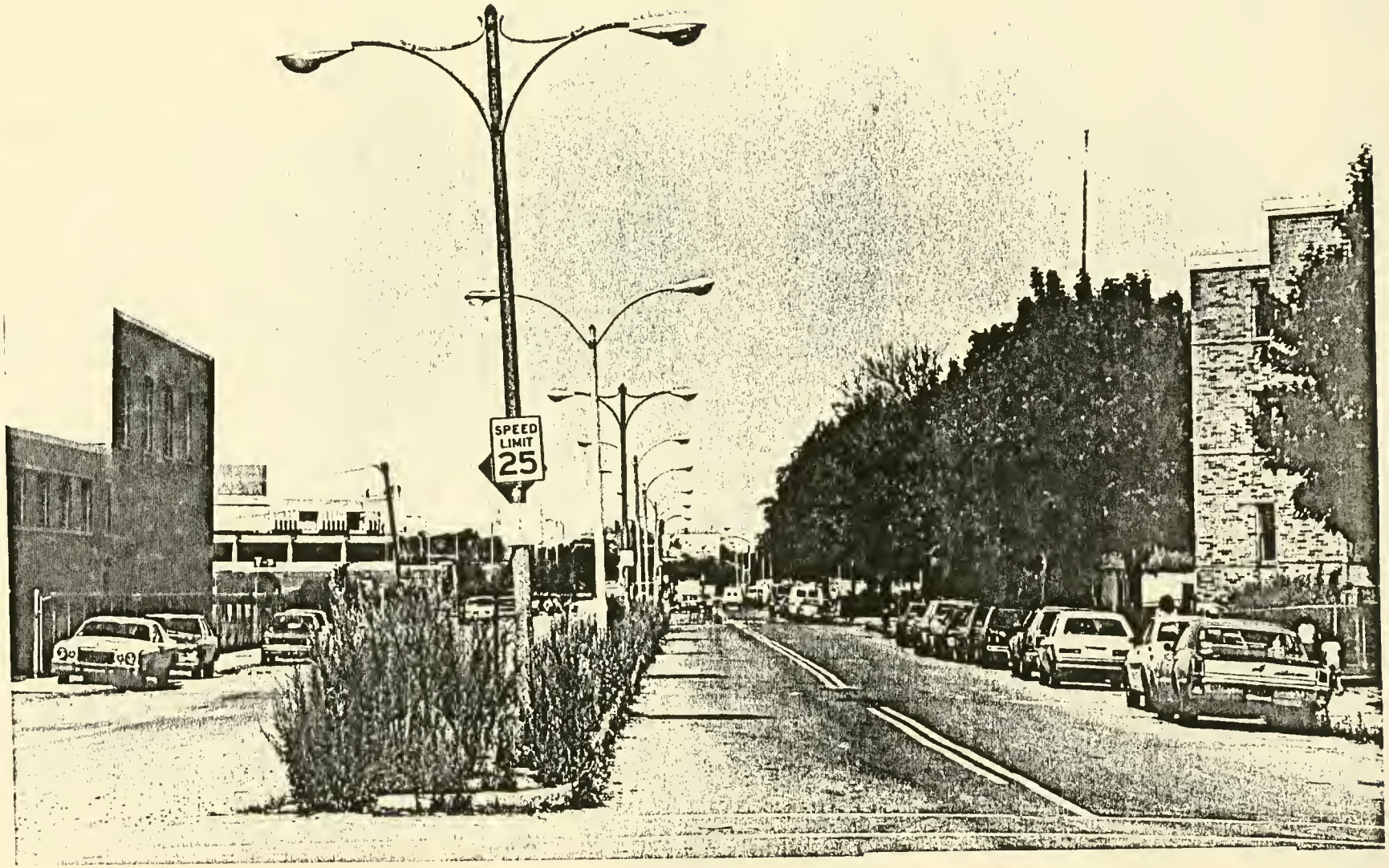


Illustration 12.
PHASE II PUBLIC IMPROVEMENTS,
MT. VERNON STREET

The buildings are all of reinforced concrete frame with masonry walls and brick exterior. They are linked by a city street system and are served by twenty-three at-grade parking areas with a total of 1,150 spaces.

An administrative building located on Mt. Vernon Street, containing office space, an assembly hall and a day-care center is one of the three non-residential project structures. The other two buildings are a City of Boston Parks Department recreation building located on the eastern edge of the site abutting the city-owned park, and a nearby recently renovated steam-heat generation plant with four new boilers.

The City of Boston parcel of 13.5 acres uplands is presently the site of waterfront park serving the housing development. Tennis and basketball courts, baseball fields and a tot-lot were developed for the residents on the western portion, but are not in good condition due to poor maintenance. The eastern portion of this parcel is essentially vacant.

Property Information

The public housing site is owned by the Boston Housing Authority and, with the exception of the recreation building, which is owned by the City of Boston Parks Department, all of the buildings are owned by the BHA. The intention as expressed in the Developer's Kit is that the BHA housing site be declared surplus and thus made available to the private developer for control either through sale or long-term lease.

The City of Boston parcel was formerly owned by the BHA and was deeded to the City of Boston's Public Facilities Department in 1970 so that the City would construct active recreation facilities. The deed provides that the BHA shall have a right to repossess the land if it is taken out of recreational and playground purposes. More important for purposes of determining the future use of this land, Article 97 of the Massachusetts Constitution would require a 2/3 vote of the state legislature if the land were to be taken out of recreational use because it was deeded to a public agency for such use. The difficulty of obtaining such a vote, however, would be minimized if an equivalent area of land elsewhere on the peninsula were provided.

The recreation facilities were constructed in 1973 and 1974 using Federal Bureau of Outdoor Recreation and City funds. If these facilities were to be removed and the land used for something other than recreation, the use would need to be approved by the Secretary of the Interior and equivalent substitute recreation facilities provided elsewhere.

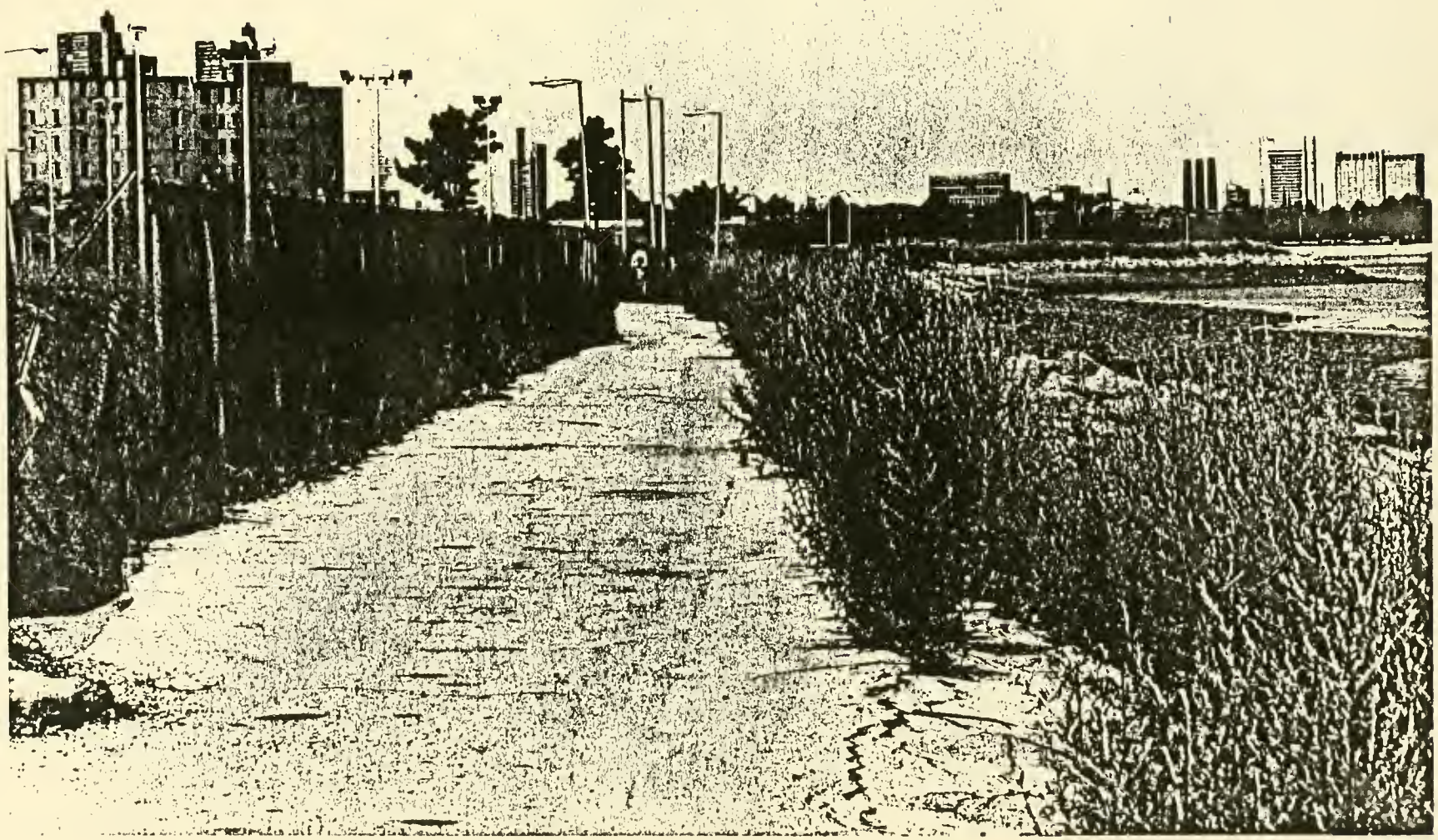


Illustration 13.
RELATIONSHIP OF COLUMBIA PT.
HOUSING PROJECT TO WATER

Phase II Housing - Introduction to Project Feasibility Budget

There are many different ways in which developers could respond to the developer's kit requesting proposals for 400 units of guaranteed low-income housing, 400 units of moderate-income housing and up to 800 units of market housing. It is clearly impossible to predict exactly what these proposals will be, therefore, one possible approach has been constructed to illustrate what the level of subsidy required to make the housing work would be. In putting together this project budget for 1,200 units of moderate-income and market-rate housing, a number of assumptions have been made. It should be made clear that any or all of them could be different depending on the particular developer and his proposal and/or changing circumstances. The most important assumptions which have been made here are:

1. All units are rental units, whether in rehabilitated low or mid-rise existing buildings or in new townhouses or towers.

2. Both development and operating funds for the 400 units of low-income housing are taken care of by other public or private subsidies singly or in combination - Urban Initiatives, Sections 8 or 202, vouchers or certificates, syndication proceeds.

3. The outstanding debt on the BHA property of approximately $12.9 million is completely written off so that there is no land cost.

4. Tax-exempt financing for 90% of total private development costs is available at 12% for 30 years.

5. That a UDAG Loan and Grant is made available for $20.5 million to provide up to $16 million to the housing developer in the form of a loan, and $4.5 million in a grant is made to provide necessary public improvements that the developer cannot complete.

EXHIBIT IIB.6-7

PHASE II: PROJECT FEASIBILITY BUDGET

1,200 Units of Market and Moderate Income Housing

Development Costs

Acquisition Cost	$ 0
Market Units	
$70,000/unit x 800 units	56,000,000
Moderate-Income Units	
$65,000/unit x 400 units	26,000,000
City Public Improvements	4,500,000
Total	$ 86,500,000

Operating Budget

Income	
Market	
800 units x $950/month x 12 months	$ 9,120,000
Moderate-Income (100% of SMSA Median Income for family of 4 of $29,000)	
400 units x $725/month x 12 months	3,480,000
Gross Income	$ 12,600,000
Vacancy (3%)	-378,000
Effective Gross Income	$ 12,222,000
Operating Expenses & 121A Tax Payments	
$3,000/unit x 1,200 units	$ -3,600,000
Net Income Available for Debt & Return to Equity	$ 8,622,000
Debt Service (30 year mortgage of $57,400,000 with tax-exempt financing at interest rate at 70% of prime rate of 16.5% or 11.55% with debt service constant of .119)	- 6,830,000
UDAG Loan ($16,000,000 interest-only ten year loan at 7%)	- 1,120,000
Net Income Available for Return on Equity (7.8%)	$ 671,400

Financing

Mortgage	$ 57,400,000
Equity	8,600,000
UDAG Loan	16,000,000
UDAG Grant for City Public Improvements	4,500,000
TOTAL PROJECT FINANCING	$ 86,500,000

II.B.6.d. Administration: City

The Boston Redevelopment Authority (BRA) and Bayside Associates will be jointly responsible for conducting and managing activities financed with Phase I UDAG funds. The BRA and other parties designated by the City will jointly manage activities financed with Phase II UDAG funds.

The Boston Redevelopment Authority, Robert J. Ryan, Director, will be administrator of the UDAG on behalf of the City. The BRA will be responsible for the timely performance and completion of all City-related UDAG responsibilities on behalf of Mayor Kevin H. White. The BRA will also be responsible for coordinating all post grant approved activities regarding the design of the UDAG contract and loan agreement, all related negotiations, public approvals, permits, tax agreements, the submission of evidentiary materials, and the administration of the loan repayment funds as part of the Phase II program. The BRA Legal Department, Harry Stoddard, Chief General Counsel, in conjunction with the City Law Department, Harold Carroll, Corporation Counsel, will review all contracts and evidence of commitment to be submitted to HUD. The BRA, through its Urban Design Department, will be responsible for design review of Phases I and II.

It will be the responsibility of the City's Community Development Accounting Office in conjunction with the BRA Accounting Department, Joseph Noonan, Comptroller, to design and implement the contract to transfer funds from the City's amended Letter of Credit to the BRA in accordance with the UDAG Grant Agreement. The BRA Project Manager along with the BRA Traffic, Engineering, Environmental, Urban Design and Legal Departments will review and monitor the progress of all UDAG funded activities and insure that they are performed in accordance with the Grant Agreement. Moreover, during the course of the nine months of construction, the BRA will continue to perform all normal planning and review functions on behalf of the City.

It will be the responsibility of the BRA Compliance Officer, Reginald Johnson, to ensure that the appropriate Federal, State and City regulations are included in the terms of all Federally funded contracts. He shall be responsible for conducting all pre-bid conferences in conjunction with other City compliance agencies. The BRA Director of Contract Compliance will be responsible for monitoring construction hiring and the First Source Agreement. Finally, the Office of Minority Business Utilization will monitor compliance with the City's Minority Business set aside requirements.

The Neighborhood Development and Employment Administration, David Mundel, Administrator, will be responsible for the design, planning, and implementation of the Employment Plan.

The BRA, acting as agent for the City will be responsible, in connection with other public agencies, for the engineering and construction of the city public improvements to be completed in Phase I and II.

Administration: Bayside Associates (Phase I Only)

The Bayside Exposition Center will be developed and owned by Bayside Associates, a joint venture composed of CMJ, Inc. and O'Connell Brothers Development Company, Inc. John E. Drew is the President of Bayside Associates and is responsible for operational and policy decisions at Bayside Exposition Center. George J. Georges and William E. Krueger are Project Directors and are responsible for the implementation of all decisions made by John Drew and the joint venture. William S. O'Connell is responsible to Bayside Associates for the construction and rehabilitation of the Bayside Exposition Center. (See Developer's Joint-Venture Agreement in Appendix for further information.)

Bayside Exposition Center will be operated by Conventures, Inc. of Boston. Dusty Rhodes is President of Conventures and is responsible for the marketing and operations of the exhibition areas and the permanent show space.

II.B.6.e. Necessity of Action Grant

Phase I

As the attached pro formas indicate, (See Exhibits IIB6-8a and 8b), the Exposition Center is not financially feasible without a UDAG. In the first place, the developer cannot afford to pay for the public improvements necessary to make the Center viable, nor can the City of Boston afford to pay for these improvements from its own capital or operating budget at this time. But, even if these public improvements are provided, the high interest prevailing at the present time will raise the project's debt service so high that it would not be feasible. If the UDAG loan was instead issued as an IRB at 12.75% for 15 years, the project would lose an additional $650,000 over the first 3½ years of operation. No developer would be willing to undertake this project under these circumstances.

Phase II

Ever since serious consideration has been given to private development of the public housing project as well as of other Columbia Point sites, it has been known that substantial subsidy would be needed to make the new housing financially feasible on a capital or operating basis or both. And until recently it was assumed that this subsidy would be available from one or more federal or local programs. Now, given rising construction and development costs, the need for subsidy is, if anything, more critical, but the city and federal resources to meet that need are now extremely limited. The UDAG program with its ability to provide a loan to the private developer to fill the gap in his permanent financing and a grant to the city for key public improvements is absolutely essential to the Phase II housing project going ahead.

Since the Developer's Kit has not yet been sent out and only informal discussions have been held with a number of interested developers, it is not at all certain exactly how the Phase II UDAG would be utilized. The final amount of the request, its exact use, its division into loan and grant and into private and public funding, will have to be decided when the private developer is selected. However, present knowledge of the project allows an accurate estimate of the

level of subsidy required to be prepared. The Project Feasibility Budget (See II.B.6.c.) which demonstrates the feasibility of providing 1200 units of moderate-income and market housing under the listed assumptions shows that a loan to the private developer of $16 million is necessary to bring debt service within acceptable limits.

In addition, the project is also only possible if $4.5 million in public improvements to streets and sidewalks are made. In past years there were plans to make very considerable changes to the utilities and circulation systems in the Phase II development site, all at public expense. Now a much more limited program of only the most necessary improvements is being proposed but they are still costly as well as being critical to the success of the Phase II housing.

EXHIBIT II.B.6-8(a): Phase I

BAYSIDE EXPOSITION CENTER: DEVELOPER'S PROFORMA (January 1983-June 1989) *

	Jan.-June 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989
Income							
Teachers Union	$ 37,125	$ 49,500	$ 49,500	$ 256,500	$ 360,000	$ 360,000	$ 360,000
Showrooms	292,500	910,000	942,500	1,017,900	1,099,332	1,187,279	1,282,261
Exhibition Space	1,010,900	2,195,898	2,515,484	2,716,723	2,934,061	3,168,786	3,422,289
Gross Income	$ 1,340,525	$ 3,155,398	$ 3,507,484	$ 3,991,123	$ 4,393,393	$ 4,716,065	$ 5,064,550
Expenses							
Operating Expenses							
-Showrooms	$ 75,833	$ 243,750	$ 260,000	$ 280,000	$ 303,264	$ 327,525	$ 353,727
-Exhibition Space	621,110	1,047,338	1,131,124	1,221,614	1,319,343	1,424,890	1,538,882
-Total	$ 696,943	$ 1,291,188	$ 1,391,124	$ 1,502,414	$ 1,622,607	$ 1,752,415	$ 1,892,609
Real Estate Taxes	108,616	348,750	465,000	502,200	542,376	585,767	632,628
Total	$ 805,559	$ 1,639,838	$ 1,856,124	$ 2,004,614	$ 2,164,983	$ 2,338,182	$ 2,525,237
Net Income Available Before Debt & Equity	$ 534,966	$ 1,515,560	$ 1,651,360	$ 1,986,509	$ 2,228,410	$ 2,377,883	$ 2,539,313
Debt Service							
Land Debt Service	$ 191,471	$ 574,412	$ 574,412	$ 574,412	$ 574,412	$ 574,412	$ 574,412
IRB	359,760	1,079,280	1,079,280	1,079,280	1,079,280	1,079,280	1,079,280
Debt for Calculation of Cert.Net Inc.	$ 551,231	$ 1,653,692	$ 1,653,692	$ 1,653,692	$ 1,653,692	$ 1,653,692	$ 1,653,692
Certified Net Income	(16,265)	(138,132)	(2,332)	332,817	574,718	724,191	885,621
25% of Cert. Net Inc.	-	-	-	83,204	143,680	181,048	221,405
Total Debt Before UDAG Loan Repayment	$ 551,231	$ 1,653,692	$ 1,653,692	$ 1,736,896	$ 1,797,372	$ 1,834,740	$ 1,875,097
Gross Profit (Loss) Before UDAG Repayment (Net Income Available less Total Debt)	$ (16,265)	$ (138,132)	$ (2,332)	$ 249,613	$ 431,038	$ 543,143	$ 664,216
UDAG Loan Repymnt. (See Exhibit IIB7-2)	$ 0	$ 67,500	$ 67,500	$ 135,000	$ 135,000	$ 135,000	$ 227,880
Net Profit (Loss) After UDAG Repymt.	$ (16,265)	$ (205,632)	$ (69,832)	$ 114,613	$ 305,038	$ 408,143	$ 436,336

* See Appendix for Notes on Development and Operating Proformas

EXHIBIT II.B.6-8(b): Phase I
BAYSIDE EXPOSITION CENTER: DEVELOPER'S PROFORMA (January 1983-June 1989)
Without UDAG Loan

	Jan.-June 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989
Income							
Teachers Union	$ 37,125	$ 49,500	$ 49,500	$ 256,500	$ 360,000	$ 360,000	$ 360,000
Showrooms	292,500	910,000	942,500	1,017,900	1,099,332	1,187,279	1,282,261
Exhibition Space	1,010,900	2,195,898	2,515,484	2,716,723	2,934,061	3,168,786	3,422,289
Gross Income	$ 1,340,525	$ 3,155,398	$ 3,507,484	$ 3,991,123	$ 4,393,393	$ 4,716,065	$ 5,064,550
Expenses							
Operating Expenses							
-Showrooms	$ 75,833	$ 243,750	$ 260,000	$ 280,000	$ 303,264	$ 327,525	$ 353,727
-Exhibition Space	621,110	1,047,338	1,131,124	1,221,614	1,319,343	1,424,890	1,538,882
-Total	$ 696,943	$ 1,291,188	$ 1,391,124	$ 1,502,414	$ 1,622,607	$ 1,752,415	$ 1,892,609
Real Estate Taxes	108,616	348,750	465,000	502,200	542,376	585,767	632,628
Total	$ 805,559	$ 1,639,838	$ 1,856,124	$ 2,004,614	$ 2,164,983	$ 2,338,182	$ 2,525,237
Net Income Available Before Debt & Equity	$ 534,966	$ 1,515,560	$ 1,651,360	$ 1,986,509	$ 2,228,410	$ 2,377,883	$ 2,539,313
Debt Service							
Land Debt Service	$ 191,471	$ 574,412	$ 574,412	$ 574,412	$ 574,412	$ 574,412	$ 574,412
IRB (instead of UDAG): $2,250,000 @ K=.1499	112,425	337,275	337,275	337,275	337,275	337,275	337,275
IRB :$7,300,000 @ K=.1499	359,760	1,079,280	1,079,280	1,079,280	1,079,280	1,079,280	1,079,280
Debt for Calculation of Cert.Net Inc.	$ 663,656	$ 1,990,967	$ 1,990,967	$ 1,990,967	$ 1,990,967	$ 1,990,967	$ 1,990,967
Certified Net Income	$ (128,690)	$ (475,407)	$ (339,607)	$ (4,458)	$ 237,443	$ 386,916	$ 548,346
25% of Cert. Net Inc.	-	-	-	-	59,361	96,729	137,087
Total Debt	$ 663,656	$ 1,990,967	$ 1,990,967	$ 1,990,967	$ 2,050,328	$ 2,087,696	$ 2,128,054
Net Profit (Loss)	$ (128,690)	$ (475,407)	$ (339,607)	$ (4,458)	$ 178,082	$ 290,187	$ 411,260

EXHIBIT II.B.6-9

CHRONOLOGICAL NARRATIVE: DEVELOPMENT PROGRAM FOR PHASES I AND II OF COLUMBIA POINT PENINSULA REVITALIZATION EFFORTS

July 31, 1982: UDAG SUBMISSION TO HUD

BRA submits $25 million combined UDAG application for Phases I and II of Columbia Point comprehensive redevelopment program. In Phase I, $4.5 million in UDAG funds would be used to assist in the permanent financing of the Bayside Exposition Center and to made access and traffic circulation public improvements critical to the success of both Bayside Exposition Center and Phase IIA housing. In Phase IIA, $20.5 million in UDAG funds would be used to assist the selected housing developer provide 1,600 units of mixed-income housing and accompanying public improvements on a 50-acre parcel owned by the BHA and the City of Boston. In Phase IIB, a retail/parking garage will be constructed to accommodate both the Bayside Exposition Center and the housing units.

August 30, 1982: OFFERING OF DEVELOPER SOLICITATION KIT FOR PHASE IIA

The BRA, BHA, Columbia Point Tenants' Task Force (with HUD concurring) will advertise nationally the developer solicitation kit for Phase IIA the development of 1,600 units of mixed-income housing. This first stage of the selection process will request developer qualifications only.

September 30, 1982: DEVELOPER QUALIFICATIONS DUE ON PHASE IIA SOLICITATION KIT

Interested developers will submit their qualifications for consideration by the BRA, BHA and the Tenants' Task Force.

September 30, 1982: UDAG DECISION BY HUD

Anticipated HUD award date for the Columbia Point UDAG.

October 1, 1982: PHASE I CONSTRUCTION TO COMMENCE

Rehabilitation of the three Bayside Mall buildings into Bayside Exposition Center will start immediately after the UDAG award to permit a partial January opening (the 220,000 square feet of exhibition space).

October 15, 1982: DEVELOPER FINALISTS SELECTED FOR PHASE IIA

The BRA, BHA and Tenants' Task Force (with the concurrence of HUD) will have reviewed all the submissions of qualifications by interested developers for Phase IIA housing, and narrowed them to a short list of three to five finalists. These finalists will be asked to submit full development proposals with extensive financial and design requirements.

November 15, 1982: DEVELOPERS' PROPOSALS DUE FROM FINALISTS IN PHASE IIA SELECTION/PUBLIC IMPROVEMENTS ENGINEERING TO COMMENCE FOR PHASE I

Full development proposals from the finalists will be submitted. These will be carefully reviewed and analyzed by the BRA, BHA, Tenants' Task Force, and further negotiations will be undertaken with these developers before final selection is made.

Work will also start on engineering for the Phase I access and traffic circulation improvements.

December 31, 1982: SELECTION AND TENTATIVE DESIGNATION OF PHASE IIA HOUSING DEVELOPER

The BRA, BHA and Tenants' Task Force will make a final selection and tentatively designate a developer or development team for the Phase IIA housing, subject to approval of final design and engineering work, completion of financing arrangements and securing of all permits and approvals.

Based on the selected developer's proposals the Phase IIA, UDAG will be updated.

January 1, 1983: PHASE I - BAYSIDE EXPOSITION CENTER - PARTIAL OPENING

The 220,000 square feet of exhibition space will be completed for the first trade and gate shows at Bayside Exposition Center will officially open.

March 1, 1983: PHASE I - GARMENT SHOWROOMS BUILDING OPENING

The 72,000 square foot building to be used exclusively for garment industry office and showrooms will be completed and open for occupancy. At this time, the construction financing will be taken out by the permanent financing and the $2.25 million UDAG loan would be drawn down.

April 1, 1983: FINAL DESIGNATION OF PHASE IIA HOUSING DEVELOPER

As the selected developer completes preparations to commence construction, the BRA, BHA and Tenants' Task Force will make the final designation.

May 1, 1983: COMMENCE PHASE IIA SITE PREPARATION

The developer will commence site preparation activities. Public improvements to and around the site will also commence.

June 1, 1983: PHASE I - COMPLETION OF BAYSIDE EXPOSITION CENTER

All remaining construction, particularly landscaping improvements to the parking lot and site will be completed.

July 1, 1983: PHASE I - PUBLIC IMPROVEMENTS CONSTRUCTION COMMENCES

The BRA will award a construction contract and start work on the public improvements which will provide a new, more direct and attractive entrance to the Columbia Point peninsula.

Fall 1983: CONSTRUCTION OF PHASE IIA HOUSING COMMENCES

Rehabilitation of existing BHA buildings will start as well as construction of new housing units. This phase is expected to continue for two years.

September 1984: PHASE I PUBLIC IMPROVEMENTS COMPLETED

The new entrances to Columbia Point will be completed and the last of the $2.1 million in UDAG funds for this phase drawn down.

Fall 1984: PHASE II RETAIL/PARKING GARAGE SITE PREPARATION COMMENCES/ PHASE III DEVELOPER SELECTION PROCESS COMMENCES

Bayside Associates, the developer of Bayside Exposition Center, will start site preparation of a parking garage containing lower-level retail space on the parcel between the Exposition Center and the housing site. The parking will accommodate additional needs of the trade and gate shows and anticipated expansion of the garment industry showroom space and the retail space. The garage will be sufficient to serve the new 1,600 unit residential community and the rest of the peninsula as well as Bayside Exposition Center employees and visitors.

The developer selection process for Phase III, development of additional housing units and accompanying retail and recreational facilities, will commence in Fall 1984.

Fall 1985: PHASE IIA COMPLETION/UDAG CLOSE-OUT

Construction is completed on the 1,600 units of Phase IIA housing and all related public and private improvements. Construction financing is converted to permanent financing, with $16 million of the UDAG drawn down at this time. In addition, the balance of the $4.5 million available for public improvements and administration expenses will be drawn down as the work is completed.

II.B.7 Project Financing

Phase I

The total cost of the acquisition and rehabilitation of the Bayside Exposition Center (exclusive of public improvements to be funded from the UDAG and carried out by the BRA as an agent for the City) is $15,918,298. The permanent financing of this cost will have the following components:

- A first purchase-money mortgage on the property of $5,265,000 from the John Hancock Mutual Life Insurance Company. This will be part of the sale of the property. Payments will be figured on the basis of an interest rate of 10% and a term of 25 years, but with the balance due at the end of 10 years. John Hancock shall also receive 25% of the net income as additional interest during the existence of the loan. (See Exhibit II.B.7-1.)

- Developer contribution of $1,106,204, made up of thedevelopers foregoing their fee and their profit on the construction.

- A $2.25 million loan from UDAG funds. Repayment will be to the BRA for use on the Phase II housing revitalization efforts. (See Exhibit II.B.7-2 for exact terms of the repayment.)

- Industrial Revenue Bonds of $7,300,000 will be provided, or placed, by the State Street Bank and Trust Company will be provided at an interest rate of 12.75% for 15 years.

There will be a need for construction financing of $8,800,000 (for construction and soft costs during the five month construction period). This will be financed by a construction loan from the State Street Bank and Trust Company at an interest rate of 1% above prime (presently estimated at 18%).

Phase II

The Phase II project feasibility budget (see Section II.B.6.c) estimates that 1,200 units of market and moderate rate housing will approach a total development cost of almost $82 million (not including necessary City public improvements). This amount represents the estimate of acquisition, rehabilitation, and new construction costs. It is anticipated that the permanent financing of this program will have the following components:

- A negligible land cost through the writing off of the $12.9 million outstanding debt on the BHA property by HUD.

- An approximate $16 million loan from UDAG funds.

- Developer equity of approximately $8.5 million.

- First mortgage financing in excess of $57 million.

II.B.7.a. Source and Uses of Funds

See UDAG Form 1. - Phases I and II

II.B.7.b. Estimated Leverage Ratio

See UDAG Form 2. - Phases I and II

II.B.7.c. Evidence of Developer Commitments and Related Information (Phase I Only)

1. Documentation

   (i) Bayside Associates has signed a letter of commitment agreeing to develop and occupy the Bayside Mall Buildings and undertake major improvements consistent with the program proposed in this UDAG application. The agreement is contingent upon favorable action on this application. This letter has been signed by John Drew, President. (See Exhibit IIB7-3).

   (ii) Agreement between the Boston Redevelopment Authority (signed by Robert J. Ryan, Director) and Bayside Associates (signed by John Drew, President) specifying the details of the UDAG application, UDAG loan terms and repayment, and Bayside's agreement to work with the City towards attaining the principles and goals of the attached Employment Plan (Exhibit IIB7-4).

2. The financial capacity of Bayside Associates is evidenced by the 1981 Consolidated Balance Sheets of CMJ, Inc., and OBC., Inc. The developer will submit these under separate cover to the Office of Action Grants by August 15, 1982 and request that they be held confidential.

3. There are no loan applications outstanding. The commitments of the lending institutions to provide the necessary financing, conditional upon approval of the UDAG application, are described in II.B.7.d. and II.B.7.e.

4. Recapture

   The Boston Redevelopment Authority will administer the UDAG award on behalf of the City of Boston. The BRA, as agent of the City, will administer contracts for the public improvements funded under UDAG, and administer the loan to Bayside Associates and receive the loan repayment.

   The UDAG will be provided to Bayside Associates as a mortgage loan to the project on the following terms (see Exhibit II.B.7-2 for additional terms):

a.	Loan Amount:	$2,250,000.
b.	Term:	20 years.
c.	Interest:	3% for Years 1 and 2 6% for Years 3 through 20
d.	Amortization:	Interest only for Years 1 through 5. Fully amortized with constant debt service payments for Years 6 through 20.

Expected Use of Recaptured UDAG Funds

Funds repaid under the loan agreement by Bayside Associates will be made to the BRA to be placed into a revolving fund designed to provide financial assistance to housing development activities during Phase II. The funds could be used as loans, grants, or loan guarantees to stimulate private investment in the Phase II development program.

II.B.7.d. Evidence of Commitments from Private Investors

A letter from the State Street Bank and Trust Company committing to provide construction financing necessary to complete the Bayside Exposition Center is attached. (See Exhibit III.B.7-5.)

II.B.7.e Other Financial Assistance

See UDAG Form 3 - Phase I; N/A - Phase II

A letter from the State Street Bank and Trust Company committing to purchase or place the Industrial Revenue Bonds needed to complete the Bayside Exposition Center is attached (See Exhibit II.B.7-5.)

A letter from the developer's bond counsel attesting to the project's location within a Commercial Area Revitalization District and the legal capacity of the City of Boston, through its IDFA, to issue IRB's for commercial projects is attached. (See Exhibit II.B.7-6a.)

A letter from Robert J. Ryan to the City of Boston IDFA approving the developer's plans and certifying consistency with the already approved Bayside Mall - Dorchester CARD Plan is attached. (See Exhibit II.b.7-6a.)

Letters from Boston IDFA initially authorizing the issuance of IRB's are attached. (See Exhibits II.B.7-7a and II.B.7-7b).

II.B.7.f - Additional Funds - Phase I

The BRA has conducted a thorough investigation of potential public and private funding sources and has determined that there are no alternatives to the UDAG. Should the Action Grant fail to be approved, the City would be unable to replace this funding source. This is due not only to the size of the Action Grant requests but also to the flexible and timely manner by which it can be injected into the program.

Other traditional funding sources such as EDA are no longer viable because of Administration cuts. Because of Proposition 2½ the City is unable to use its General Obligation bonding power (see II.B.2.d, Need for Assistance). Conventional permanent financing for the Bayside Exposition Center cannot be pursued because of the very low revenue streams projected during the first 3½ years of operation.

Without the UDAG in the amount of $4.5 million the City would not be able to pursue this most important economic development project and this unique opportunity for Phase I will be lost.

EXHIBIT IIB7-1

John Hancock Mutual Life Insurance Company

William E. Leary
Senior Vice President

John Hancock Place
Post Office Box 111
Boston, Massachusetts 02117

June 25, 1982

Mr. Peter F. O'Connell
President
O'Connell Management Company, Inc.
One Heritage Drive
North Quincy, MA 02171

Re: Bayside Mall
Boston, Massachusetts

Dear Mr. O'Connell:

This letter is to inform you that our Committee of Finance has approved the sale of the above referenced property to a joint venture between Peter F. O'Connell and Joseph Corcoran, or Nominee satisfactory to John Hancock for $5,265,000 (net of sales commission) subject to a Purchase of Money Mortgage payable as follows:

Amount: $5,265,000

Terms: Regular monthly payments of $47,867.50, including interest at 10%, 25 year basis (10.91% constant) with a balance due of $4,454,190 at the end of 10 years from the closing date. In addition, John Hancock shall receive 25% of net income as additional interest during the existence of the loan.

The net income shall be defined as gross income from all sources less the following:

1) Debt Service-First Mortgage ($575,411.50)

2) Debt Service-Second Mortgage ($1,261,875) ($6,500,000 @ 15%, 10 years)

3) Operating expenses, including management fee not to exceed 5% of gross income and real estate taxes.

Prepayment Option: None

Liability:	No personal liability
Restriction:	No resale or additional financing exceeding $11,765,000 without John Hancock's approval.
Hazard Insurance:	New hazard insurance policy will be supplied by buyer in amount, coverage and company satisfactory to John Hancock.
Real Estate Taxes:	One-twelfth of the annual real estate tax is to be escrowed with John Hancock on a monthly basis.
Good Faith Deposit:	$25,000 in cash, non-refundable, to be returned at closing.
Sales Commission:	Any real estate sales commission due to Ryan Elliott shall be paid by the borrower and shall be settled at, or prior to, the closing of the sale.
Boston Teachers Union Lease:	In the event that the Boston Teachers Union exercises its option to purchase the property that they occupy, the proceeds of that sale shall be used to reduce the first mortgage indebedness.

If the foregoing is in accordance with your understanding of the transaction, please sign and date the form of confirmation and acceptance on the enclosed counterpart of this letter and return same to us on or before July 9, 1982, whereupon the case will be referred to our Law Department for drafting of the Purchase and Sale Agreement and the necessary documentation.

Yours very truly,

William E. Leary

William E. Leary
Senior Vice President
Mortgage and Real Estate Department

ac
enc.

O'Connell Management Co., Inc. (617)328-0055
One Heritage Drive, North Quincy, Massachusetts 02171

July 9, 1982

Mr. William E. Leary, Senior V.P.
Mortgage and Real Estate Department
John Hancock Mutual Life Insurance Co.
Boston, Mass.

Re: Bayside Exposition Center
Boston, Mass.

Dear Mr. Leary:

We are pleased to accept your June 25, 1982 commitment subject to the following modifications:

1. That permission is given to enter and make improvements and modifications to the site and buildings consistent with normal construction and rehabilitation procedures. Insurance acceptable to the John Hancock will be provided prior to site construction.

2. Closing is contingent upon receiving a U.D.A.G. grant in the amount of not less than $2,000,000.

3. The option by the Boston Teachers Union to purchase their space may be extended by us at our discretion.

4. Under restriction, the amount can be exceeded if costs are certified and can include construction, development, and operating deficit costs.

Enclosed is our $25,000 good-faith deposit. We would expect a closing in the forth quarter of 1982 and look forward to working on this important undertaking.

Very truly yours,

Peter F. O'Connell
President

cc Joe Corcoran, CMJ
John Drew, CMJ
John Ryan, Ryan, Elliott and Company

Acknowledged and agreed 76 _____
illiam E. Leary
Date: _____

COPY

John Hancock Mutual Life Insurance Company

City Mortgage and Real Estate Department

John Hancock Place
Post Office Box 111
Boston, Massachusetts 02117

July 9, 1982

Mr. Peter F. O'Connell
President
O'Connell Management Co., Inc.
One Heritage Drive
North Quincy, MA 02171

Re: Bayside Exposition Center
Boston, Mass.

Dear Mr. O'Connell:

This is to acknowledge your letter of July 9, 1982 enclosing a $25,000.00 good faith deposit and accepting our commitment, dated June 25, 1982, with four modifications.

We have no objection to the first three modifications, numbered 1, 2 and 3. Modification 4, however, needs some clarification. I believe, when you use the phrase "under restriction, the amount can be exceeded if ---", that you are referring to the part of our commitment dealing with definition of net income, with a debt service on the second mortgage of $6,500,000 set at $1,261,875. We have no objection to this second mortgage being larger than $6,500,000 as long as it does not exceed certified costs, which could include construction development and operating deficit costs for the first two years.

If this is acceptable to you, please acknowledge by signing the counterpart of this letter, which is enclosed.

Yours very truly,

William E. Leary
Senior Vice President
Mortgage and Real Estate Department

ac
enc.

DATE July 12, 1982

ACKNOWLEDGED AND AGREED TO

By: Peter F. O'Connell
Peter F. O'Connell

EXHIBIT II.B.7-2
BAYSIDE EXPOSITION CENTER: PHASE I
UDAG REPAYMENT SCHEDULE

	Jan.-June 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989
Net Income Available Before Debt & Equity	$ 534,966	$ 1,515,560	$ 1,651,360	$ 1,986,509	$ 2,228,410	$ 2,377,883	$ 2,539,313
Total Debt Before UDAG Repayment	$ 551,231	$ 1,653,692	$ 1,653,692	$ 1,736,896	$ 1,797,372	$ 1,834,740	$ 1,875,097
Gross Profit (Loss) Before UDAG Repymt. (Net Income Available less Total Debt)	$ (16,265)	$ (138,132)	$ (2,332)	$ 249,613	$ 431,038	$ 543,143	$ 664,216
UDAG Loan: 3% Interest	$ 0	$ 67,500	$ 67,500	$ 67,500	$ 67,500	$ 67,500	-
Addt'l UDAG 3% Int.	-	-	-	67,500	67,500	67,500	-
UDAG Loan: 6% Int.; 15 yr. term; K=.10128	-	-	-	-	-	-	$ 227,880
Total Debt with UDAG Repayment	$ 551,231	$ 1,721,192	$ 1,721,192	$ 1,871,896	$ 1,923,372	$ 1,969,740	$ 2,102,977
Net Profit (Loss) After UDAG Repayment	$ (16,265)	$ (205,632)	$ (69,832)	$ 114,613	$ 305,038	$ 408,143	$ 436,336
Total UDAG Repayment	$ 0	$ 67,500	$ 67,500	$ 135,000	$ 135,000	$ 135,000	$ 227,880
UDAG Loan Contingent Payments of 6% of Net Profit After UDAG Repymt. if Gross Income exceeds...	-	$ 3,600,000	$ 4,000,000	$ 4,400,000	$ 4,800,000	$ 5,200,000	$ 5,600,000

O'Connell Management Co., Inc.
One Heritage Drive, North Quincy, Massachusetts 02171

July 27, 1982

Mr. Robert J. Ryan, Director
Boston Redevelopment Authority
One City Hall Plaza
Boston, MA 02201

RE: Bayside Exposition Center

Dear Mr. Ryan,

As joint venture partners of Bayside Associates; Corcoran, Mullins & Jennison, Inc. and O'Connell Development Co., Inc. are pleased to inform you that we are committing our resources to the transformation of the vacant Bayside Shopping Mall into the Bayside Exposition Center. The Bayside Exposition Center will consist of 72,000 Square Feet of permanent showrooms and 220,000 Square Feet of exposition space.

The Bayside Exposition Center is not economically feasible but for the project receiving a 4.3 million dollar Urban Development Action Grant (UDAG) for public improvement and financing. Our commitment is contingent upon this project being awarded UDAG funds.

Bayside Associates feel the successful rehabilitation of the public housing adajcent to our project is essential to the success of the Bayside Exposition Center.

We are confident the developer's kit is ready for distribution and there is movement toward the selection of a qualified developer to carry out the task of refurbishing the residential complex.

The Bayside Exposition Center will generate approximately 400 permanent jobs and 175 jobs during construction. The total project cost is estimated at $15,918,298 of which the developers will provide $1,106,204 in equity contribution.

Construction and permanent financing will be provided by Industrial Revenue Bonds (IRB) obtained through the Massachusetts Industrial Finance Agency (M.I.A.). The John Hancock Mutual Life Insurance Company will finance the property acquisition.

We look forward to the approval of the UDAG application and are prepared to move forward on this, the first step in rejuvenating the Columbia Point peninsula.

Sincerely,

Peter F. O'Connell,
O'Connell Development Co., Inc.

John Drew,
Corcoran, Mullins & Jennison, Inc.

Boston Redevelopment Authority

Robert J. Ryan, Director

29 July 1982

Mr. John E. Drew
President
Bayside Associates
c/o Corcoran, Mullins, Jennison, Inc.
1776 Heritage Drive
Quincy, MA 02171

Dear John,

The following is intended to summarize the basic terms of the agreement reached between Bayside Associates and the Boston Redevelopment Authority with regard to Bayside Associates' proposed renovation of the Bayside Mall. These terms are the same terms which we agree will be applied for by the City of Boston through a H.U.D. Urban Development Action Grant.

UDAG LOAN REPAYMENT

Project: Bayside Exposition Center including exhibition space and showrooms and building currently leased to Boston Teachers Union.

Mortgagee: City of Boston

Mortgagor: Bayside Associates

Initial Loan Amount: $2,250,000

Term: 20 years

Loan Commencement: July 1, 1983

Loan Drawdown: March 1, 1983

UDAG Repayment:

- 3% interest-only for Years 1 and 2
- 6% interest-only for Years 3 through 5
- 6% interest with full amortization of outstanding loan amount with constant debt service payments of no greater than 10.128% of outstanding loan amount for Years 6 through 20.

1 City Hall Square
Boston, Massachusetts 02201
(617) 722-4300

Terms:

1. Net Income Available Before Debt and Equity shall be calculated by subtracting operating expenses, a reasonable replacement reserve as measured by industry standards, and real estate taxes from the Project's Gross Income.

2. Initial Permanent Mortgage Financing shall be defined as including, but not limited to, debt service payments of Industrial Revenue Bonds issued to Mortgagor as of July 1, 1983, Land Debt Service as of July 1, 1983, debt service payments on any conventional financing as of July 1, 1983 from any institutional lender(s) as well as any contingent interest payable in any future year to any institutional lender(s) under a loan agreement executed prior to July 1, 1983.

3. UDAG Repayments shall be defined as including any scheduled UDAG Loan repayments which include interest only or principal and interest as stated in the final UDAG contract as well as any payment of interest on a deferred UDAG Loan repayment. UDAG Loan Contingent Payments shall not be included in this definition.

4. Gross Profit Before UDAG Repayment shall be calculated by subtracting Initial Permanent Mortgage Financing from Net Income Available Before Debt and Equity.

5. Net Profit After UDAG Repayment shall be calculated by subtracting UDAG Repayments from Gross Profit Before UDAG Repayment.

6. Outstanding Loan Amount shall be defined as the Initial Loan Amount less any payment of principal from UDAG Loan Contingent Payments.

Payments: Quarterly in arrears. If Gross Profit Before UDAG Repayment is insufficient in any quarter to pay for any portion of a scheduled UDAG repayment, the Mortgagor shall pay whatever portion of the scheduled UDAG repayment for which funds are available from Gross Profit Before UDAG Repayment and shall defer repayment of the remainder.

Deferral: Interest of 6% shall be charged in advance against any deferred repayment. Deferred repayments and interest on repayments shall be accrued and compounded for every quarter in which deferred repayments and interest on repayments are outstanding. If any balance is outstanding, any Net Profit After UDAG Repayment in any quarter shall be used to discharge the outstanding balance until the entire balance is discharged.

UDAG Loan Contingent Payments:

If Gross Income of the Project exceeds $3,600,000 in FY 1984, or an amount increasing by $400,000 in each following year, i.e. $4,000,000 in FY 1985, then Mortgagor shall pay Mortgagee as an additional payment an amount equal to 6% of Net Profit After UDAG Repayment, as defined above. Of this 6% payment, 3% shall be used to retire principal and 3% shall be interest.

Repayment:

Mortgagor cannot repay UDAG Loan before July 1, 1986. After repayment of entire loan amount, the Mortgagee shall retain no financial interest in the Project.

Refinancing:

Mortgagor may refinance at any time. In the event of any refinancing, however, the definition of Initial Permanent Mortgage Financing shall be used in calculating Gross Profit Before UDAG Repayment, Net Profit After UDAG Repayment and UDAG Loan Contingent Payments.

Subordination:

Mortgagee shall subordinate to any other mortgage financing of Mortgagor, including payments of contingent interest by Mortgagor to other mortgagees. In the calculation of Gross Profit Before UDAG Repayment, however, only Initial Permanent Mortgage Financing will be subtracted from Net Income Available Before Debt and Equity.

Approvals:

All terms of this UDAG Loan repayment shall be subject to approval of any source of Initial Permanent Mortgage Financing as well as of the U. S. Department of Housing and Urban Development.

If you are in agreement with the accompanying terms and conditions, please acknowledge your intent to comply with the provisions in this letter as components of Phase I of the Columbia Point Peninsula Revitalization Program by signing below on behalf of Bayside Associates.

Sincerely,

Robert J. Ryan
Director

John E. Drew, President
Bayside Associates

State Street Bank and Trust Company
Commercial Banking
225 Franklin Street
Boston, Massachusetts 02101

Susan A. Feig
Loan Officer
(617) 786-3685

July 29, 1982

Mr. John Drew
Corcoran, Mullins, Jennison, Inc.
1776 Heritage Drive
Quincy, MA 02171

Dear Mr. Drew:

I have reviewed your proposal for the redevelopment of Columbia Point Mall site into the Bayside Exposition Center. As presented, the proposed design and utilization of the site appears to be highly feasible.

State Street Bank has provided construction financing for both Corcoran, Mullins, Jennison, Inc. and The O'Connell Brothers for several projects during the past few years. Our experience with both firms has been highly satisfactory and makes us confident that this development team has the ability to successfully complete this project.

As we have discussed during our recent meetings, State Street Bank is very interested in providing the construction financing for the project and in purchasing a $7,300,000 revenue bond for the permanent financing. Although we believe that the project as proposed seems financially feasible, we are certain that it cannot be undertaken without the receipt of an Urban Development Action Grant. Further review of the construction costs and operating proforma, as well as the UDAG award, are necessary elements to any final loan commitment.

I look forward to working with you on this project.

Yours truly,

Susan A. Feig

SAF:vpt

EXHIBIT IIB7-6a

DAVIS, MALM & D'AGOSTINE
ONE FEDERAL STREET
BOSTON, MASSACHUSETTS 02110
(617) 542-3500

JULIAN J. D'AGOSTINE
C. MICHAEL MALM
CHARLES CORKIN II, P.C.
HAROLD R. DAVIS, P.C.
BERNARD D. FRANK
PETER MYERSON
BRUCE G. DANIELS
FRANK P. CONRAD
JOHN R. BERMAN
MICHAEL PADNOS
GARY S. MATSKO
JOSEPH C. MAHER, JR.
JOHN T. LYNCH
THOMAS J. BEAMISH

CABLE ADDRESS DAMADA

July 23, 1982

Boston Redevelopment Authority
One City Hall Square
Boston, MA 02108

Re: Proposed Bayside Expostion Center

Gentlemen:

Please be informed that this office has been retained as bond counsel in connection with the proposed issue of industrial revenue bonds by the City of Boston acting by and through its Industrial Development Financing Authority (IDFA). The project is eligible to be financed in part through the issuance of industrial revenue bonds as it is located in the Bayside Mall Commercial Area Revitalization District. In Massachusetts commercial projects located in Commercial Area Revitalization District areas are eligible for industrial revenue bond financing. The City of Boston has the legal capacity through its IDFA to issue industrial revenue bonds for commercial projects.

We are also exploring the possibility of financing a portion of the project pursuant to Section 103(b)(4)(C) of the Internal Revenue Code. This Section provides for tax exempt financing for convention or trade show facilities. In the near future we expect to complete our analysis concerning a partial financing under this Section of the Internal Revenue Code.

If you have any questions as to any of the legal aspects of the proposed industrial revenue bond issue, please do not hesitate to contact this office.

Sincerely yours,

Harold R. Davis, P.C.

HRD/jm

Boston Redevelopment Authority

Robert J. Ryan, Director

July 27, 1982

Mr. Lawrence Bianchi
Boston IDFA
c/o EDIC
18 Tremont Street, Suite 300
Boston, MA 02108

Dear Mr. Bianchi,

Pursuant to Page 2 of the Bayside Mall-Dorchester CARD Plan, Bayside Mall Associates was required to submit to my office certain information and materials related to their proposed project at Bayside Mall for review and project certification.

The Bayside Mall-Dorchester CARD Plan was approved by the Boston City Council on April 18, 1979, the Mayor on April 26, 1979, and the Secretary of Communities and Development on June 19, 1979.

I am pleased to convey our approval of their plans and to verify that Bayside Mall Associates' project at Bayside Mall is within the Bayside Mall-Dorchester CARD Plan and is consistent with the plan's objectives. This approval is contingent upon receiving a description of the final financial terms including total development costs of the project before the final bond closing.

Sincerely,

Robert J. Ryan
Director

1 City Hall Square
Boston, Massachusetts 02201
(617) 722-4300

CITY OF BOSTON INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY

Secretary's Certificate

I, Lowell L. Richards, III, the duly elected Secretary of the Boston Industrial Development Financing Authority, do hereby certify as follows:

1. A meeting of the Boston Industrial Development Financing Authority was held on July 28, 1982 at the office of the Authority, 18 Tremont Street, Boston Massachusetts, pursuant to notice duly given to each member of the Authority in accordance with the Authority's By-Laws.

2. The following members of the Authority were present and voting throughout said meeting:

   Lawrence A. Bianchi
   Joseph T. Flaherty
   ~~James H. Greene~~
   Lowell L. Richards, III

3. Notice of said meeting was duly filed with the City Clerk and publicly posted; said meeting was open to the public; no deliberations or decisions with respect to the attached Resolution concerning Bayside Associates Industrial Revenue Bond Financing were held or made in executive session; the official records of the meeting were made available to the public promptly thereafter and they shall remain available to the public; and in the foregoing respects and in all other respects, said meeting was conducted in accordance with the open meeting law requirements set forth in Section 23A through 23C, Chapter 39 of the Massachusetts General Laws, as amended.

4. The attached copy of the Resolution concerning Bayside Associates Industrial Revenue Bond Financing is a true, correct and accurate copy of the Resolution duly adopted by vote of the members of the Board of Directors of the Authority at said meeting held on July 28, 1982.

Date: July 28, 1982

Lowell L. Richards, III
Secretary

CITY OF BOSTON

INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY

Resolution Re: Industrial Development
Project for Bayside Associates

WHEREAS, an industrial development project to be owned by Bayside Associates, One Heritage Drive, North Quincy, Massachusetts (hereinafter referred to as the "Owner"), a Massachusetts Partnership in the business of developing and managing real estate and to be leased by the Ladies Garment Association, has been proposed for the City of Boston; and

WHEREAS, said development project is located at 180 Mt. Vernon Street, Dorchester, Massachusetts and will consist generally of the renovation of approximately 65,000 square feet of one of the buildings to make it suitable for use as permanent showrooms by the Ladies Garment Association in connection with trade shows and conventions as contemplated by the Owner; and

WHEREAS, the Owner is obliged to make payments to the City sufficient to pay the principal of and interest on industrial development bonds of the City issued up to $1,000,000 of the cost of said project and the current expenses of the City, acting by or through the Boston Industrial Development Authority (the "Authority"), incurred in connection therewith and to reimburse the City for or indemnify the City against any such expenses or costs incurred hereafter in the event that the issuance and sale of such bonds is not accomplished as contemplated; and

WHEREAS, the said industrial development project is to be leased to the Ladies Garment Association and said lease payments and other payments to the Owner will be sufficient to enable the Owner to pay the principal

of and interest on industrial development bonds of the City issued to pay up to $1,000,000 of the cost of said project and the current expenses of the City, acting by and through the Authority, incurred in connection therewith and to reimburse the City for or indemnify the City against any such expenses or costs incurred hereafter in the event that the issuance and sale of such bonds is not accomplished as contemplated; and

WHEREAS, said industrial development project, as projected by the Owner, will bring to the City full-time employment in addition to employment currently provided for approximately 300 persons within two years following completion and thereby contribute to the alleviation of unemployment in the City, provide security against future unemployment and be of benefit to the economy of the City and the Commonwealth; and

WHEREAS, the estimated cost of said industrial development project is $1,025,000 and the Owner has requested financing through industrial development bonds in the amount of $1,000,000 and has indicated its willingness to finance the costs of said project in excess of said estimated cost other than the issue of industrial development bonds and it appears that said development project may be financed through the issuance of industrial development bonds by the City, acting by and through the Authority, pursuant to the provisions of Chapter 40D of the Massachusetts General Laws; and

WHEREAS, the area where the project is located has been designated a Commercial Area Revitilization District pursuant to Chapter 40D Section 12 and said project may therefore be financed by the use of industrial revenue bonds.

NOW, THEREFORE, BE IT RESOLVED: That said project and the estimated cost thereof are hereby approved and the Authority hereby authorizes the issuance of industrial development bonds of the City in a principal

amount not in excess of $1,000,000 pursuant to Chapter 40D of the Massachusetts General Laws, as amended, provided, however, that this resolution is conditioned upon the following: (1) compliance with applicable federal, state and municipal law, including, without limitation, Chapter 40D of the Massachusetts General Laws; (2) approval and authorization by the Authority of the financing documents and all other documents, instruments and papers to be adopted or entered into by the parties thereto to carry out the issuance of the industrial development bonds hereby authorized; and (3) compliance with such additional terms and conditions as the Authority has now or may hereafter approve; that the Chairman, Vice-Chairman or Secretary of this Authority be and hereby is authorized to take and do all such further acts as may be necessary or appropriate to carry into effect the purposes of the foregoing resolutions.

BE IT FURTHER RESOLVED: That this Resolution is intended to be and shall constitute "official action" within the meaning of Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

The foregoing Resolutions shall remain in effect for nine (9) months unless further action is taken by the Authority.

CITY OF BOSTON INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY

Secretary's Certificate

I, Lowell L. Richards, III, the duly elected Secretary of the Boston Industrial Development Financing Authority, do hereby certify as follows:

1. A meeting of the Boston Industrial Development Financing Authority was held on July 28, 1982 at the office of the Authority, 18 Tremont Street, Boston Massachusetts, pursuant to notice duly given to each member of the Authority in accordance with the Authority's By-Laws.

2. The following members of the Authority were present and voting throughout said meeting:

   Lawrence A. Bianchi
   Joseph T. Flaherty
   ~~James H. Greene~~
   Lowell L. Richards, III

3. Notice of said meeting was duly filed with the City Clerk and publicly posted; said meeting was open to the public; no deliberations or decisions with respect to the attached Resolution concerning Bayside Associates Industrial Revenue Bond Financing were held or made in executive session; the official records of the meeting were made available to the public promptly thereafter and they shall remain available to the public; and in the foregoing respects and in all other respects, said meeting was conducted in accordance with the open meeting law requirements set forth in Section 23A through 23C, Chapter 39 of the Massachusetts General Laws, as amended.

4. The attached copy of the Resolution concerning Bayside Associates Industrial Revenue Bond Financing is a true, correct and accurate copy of the Resolution duly adopted by vote of the members of the Board of Directors of the Authority at said meeting held on July 28, 1982.

Date: July 28, 1982

Lowell L. Richards, III
Secretary

CITY OF BOSTON

INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY

Resolution Re: Industrial Development
Project for Bayside Associates

WHEREAS, an industrial development project to be an exempt facility under Section 103(b)(4) of the Internal Revenue Code, as amended, to be owned and to be used by Bayside Associates, a Massachusetts General Partnership, having its principal place of business at One Heritage Drive, North Quincy, Massachusetts (hereinafter referred to as the "Owner"), and in the business of developing and managing real estate, has been proposed for the City of Boston; and

WHEREAS, said development project is located at 180 Mt. Vernon Street, Dorchester, Massachusetts and will consist generally of (1) the purchase of a parcel of land of approximately 21 acres with the four (4) buildings thereon containing approximately 280,000 square feet, and (2) the renovation of approximately 182,000 square feet of building and the construction of glass atria to connect all buildings adding 45,000 square feet to make it suitable for the convention and trade show use contemplated by the Owner; and

WHEREAS, the Owner is obliged to make payments to the City sufficient to pay the principal of and interest on industrial development bonds of the City issued to pay up to $6,900,000 of the cost of said project and the current expenses of the City, acting by and through the Boston Industrial Development Authority (the "Authority"), incurred in connection therewith and to reimburse the City for or indemnify the City against any such expenses or costs incurred hereafter in the event that the issuance and sale of such bonds is not accomplished as contemplated; and

WHEREAS, the said industrial development project is to be leased by the Owner and the payments to the Owner will be sufficient to enable the Owner to pay the principal of and interest on industrial development bonds of the City issued to pay the cost of said project and the current expenses of the City, acting by and through the Authority, incurred in connection therewith and to reimburse the City for or indemnify the City against any such expenses or costs incurred hereafter in the event that the issuance and sale of such bonds is not accomplished as contemplated; and

WHEREAS, said industrial development project, as projected by the Owner, will provide full-time employment in addition to employment currently provided for approximately 75-100 persons within two years following completion and thereby contribute to the alleviation of unemployment in the City, provide security against future unemployment and be of benefit to the economy of the City and the Commonwealth; and

WHEREAS, the estimated cost of said industrial development project is $6,950,000 and the Owner has requested financing through industrial development bonds in the amount of $6,900,000 and has indicated its willingness to finance the costs of said project in excess of said estimated cost other than by the issue of industrial development bonds and it appears that said development project may be financed through the issuance of industrial development bonds by the City, acting by and through the Authority, pursuant to the provisions of Chapter 40D of the Massachusetts General Laws; and

WHEREAS, the area where the project is located has been designated a Commercial Area Revitilization District pursuant to Chapter 40D Section 12 and said project may therefore be financed by the use of industrial revenue bonds.

NOW, THEREFORE, BE IT RESOLVED: That said project and the estimated cost thereof are hereby approved and the Authority hereby

authorized the issuance of industrial development bonds of the City in a principal amount not in excess of $6,900,000 pursuant to Chapter 40D of the Massachusetts General Laws, as amended; provided, however, that this resolution is conditioned upon the following: (1) compliance with applicable federal, state and municipal law, including, without limitation, Chapter 40D of the Massachusetts General Laws; (2) approval and authorization by the Authority of the financing documents and all other documents, instruments and papers to be adopted or entered into by the parties thereto to carry out the issuance of the industrial development bonds hereby authorized; and (3) compliance with such additional terms and conditions as the Authority has now or may hereafter approve; that the Chairman, Vice-Chairman or Secretary of this Authority be and hereby is authorized to take and do all such further acts as may be necessary or appropriate to carry into effect the purposes of the foregoing resolutions.

BE IT FURTHER RESOLVED: That this Resolution is intended to be and shall constitute "official action" within the meaning of Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

The foregoing Resolutions shall remain in effect for nine (9) months unless further action is taken by the Authority.

UDAG FORM 1* (Part 1)

SOURCES AND USES OF FUNDS FOR PROJECT

Instructions: For projects which consist of only one transactions, complete this page only. For projects with multiple transactions, complete this page as a summary and a copy of part 2 for each transaction.

PROJECT BUDGET -- SUMMARY OF PROPOSED EXPENDITURES				
	SOURCES OF FUNDS			
Line Item Activity	UDAG Funds	Private Funds	Other Funds (Specify)	Total
a. Land Acquisition		$5,531,000		$5,531,000
b. Relocation of Persons and Businesses				
c. Clearance and Demolition				
d. ~~Streets & Site Improvements~~ Public Streets & Sidewalk Imrpvemt.	2,100,000			2,100,000
e. Water and Sewer Facilities				
f. Foundations and Platforms				
g. Parking Facilities		500,000		500,000
h. Pedestrian Malls				
i. Capital Equipment				
j. Professional Fees		542,000		542,000
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.		1,123,018		1,123,018
l. Building Rehabiliatation	2,250,000	5,068,040		7,318,040
m. Developer's Fee		781,804		781,804
n. Administration	150,000			150,000
o. Cost Subtotal (Sum of lines a.-n.)	4,500,000	13,545,862		18,095,862
p. Contingencies		122,436		122,436
q. Totals by Source (Sum of lines o. + p.)	4,500,000	13,668,298		18,168,298
r. Program Income from Land Disposition	(NA)			(NA)
s. TOTAL PROJECT COSTS (Sum of lines q. + r.)	4,500,000	13,668,298		18,168,298

*This form constitutes the response to Part II.B.7.a.

UDAG FORM 1 (Part 2)

SOURCES AND USES OF FUNDS BY TRANSACTION

Instructions: Complete one page for each transaction.

Transaction Number: _____
Transaction Name: _____

Line Item Activity	SOURCES OF FUNDS: UDAG Funds	Private Funds: Developer Equity	Private Funds: Private Lender	Other Funds (Specify)	Total Costs
a. Land Acquisition-John Hancock			5,265,000	IRBS 266,000	$5,531,000
b. Relocation of Persons and Businesses					
c. Clearance and Demolition					
d. ~~Streets & Site Improvements~~ Public Streets & Sidewalk Imprvmts.	2,100,000				$2,100,000
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility: _____					
Capital Equipment					
j. Professional Fees				542,000	$542,000
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.				1,123,018	$1,123,018
l. Building Rehabilitation	2,250,000	324,400	5,265,000	5,243,640	$7,818,040
m. Developer's Fee		781,804			$ 781,804
n. Administration	150,000				$ 150,000
o. Cost Subtotal (Sum of lines a.-n.)	4,500,000	1,106,204		7,174,658	$18,045,862
p. Contingencies				122,436	$ 122,436
q. Totals by Source (Sum of lines o. + p.)	4,500,000	1,106,204	5,265,000	7,297,094	$18,168,298
r. Program Income from Land Disposition	( )			( )	( )
Total Transaction Costs s. (Sum of lines q. + r.)	4,500,000	1,106,204	5,265,000		$18,168,298

PHASE II II.B.7.a

UDAG FORM 1* (Part 1)

SOURCES AND USES OF FUNDS FOR PROJECT

Instructions: For projects which consist of only one transactions, complete this page only. For projects with multiple transactions, complete this page as a summary and a copy of part 2 for each transaction.

PROJECT BUDGET -- SUMMARY OF PROPOSED EXPENDITURES				
	SOURCES OF FUNDS			
Line Item Activity	UDAG Funds	Private Funds	Other Funds (Specify)	Total
a. Land Acquisition		-0-		-0-
b. Relocation of Persons and Businesses				
c. Clearance and Demolition				
d. ~~Streets & Sidewalk Improvements~~ City Public Improvements	$4,300,000			$4,300,000
e. Water and Sewer Facilities				
f. Foundations and Platforms				
g. Parking Facilities				
h. Pedestrian Malls				
i. Capital Equipment				
j. Professional Fees				
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.				
l. Development/Market Units	6,000,000	50,000,000		$56,000,000
m. Development/Moderate Income Units	10,000,000	16,000,000		$26,000,000
n. Administration	200,000			$ 200,000
o. Cost Subtotal (Sum of lines a.-n.)	20,500,000	66,000,000		86,500,000
p. Contingencies				
q. Totals by Source (Sum of lines o. + p.)	20,500,000	66,000,000		$86,500,000
r. Program Income from Land Disposition	(NA)			(NA)
s. TOTAL PROJECT COSTS (Sum of lines q. + r.)	20,500,000	66,000,000		$86,500,000

*This form constitutes the response to Part II.B.7.a.

PHASE II

Section II.B.7.a.

UDAG FORM 1 (Part 2)

SOURCES AND USES OF FUNDS
BY TRANSACTION

NA

Instructions: Complete one page for each transaction.

Transaction Number: _____
Transaction Name: _____

Line Item Activity	SOURCES OF FUNDS				
	UDAG Funds	Private Funds		Other Funds (Specify)	Total Costs
		Developer Equity	Private Lender		
a. Land Acquisition					
b. Relocation of Persons and Businesses					
c. Clearance and Demolition					
d. Streets & Site Improvements					
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility: _____					
Capital Equipment					
j. Professional Fees					
Real Estate Taxes, Construction Period Interest, Organization Costs, etc.					
Administration					
Cost Subtotal (Sum of lines a.-n.)					
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)					
r. Program Income from Land Disposition	( )			( )	( )
Total Transaction Costs s. (Sum of lines q. + r.)					

PHASE I II.B.7.b.

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: ☐ Project Summary ☐ Transaction No. _____ Name: _____
TOTAL PROJECT OR TRANSACTION COSTS 1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	$18,168,298
INFLOWS: 2. Private Investment (Developer's Equity)	$ 1,106,204
3a. Private Debt from Lenders 3b. Repayments on UDAG Loan (discounted at 12%)	$12,562,094 $ 1,245,245
4. Subtotal--Private Sources (2+3)	$14,913,543
5. Action Grant	$ 4,500,000
6. Leverage Ratio (4÷5)	3.3: 1.0
7. Other Sources (e.g., other federal, state, local, and project income)	--------
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	$19,413,543
9. Additional Spinoff Private Investment Anticipated as a Result of Project	

*This form constitutes the response to Part II.B.7.b.

PHASE II II.B.7.b

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: ☐ Project Summary ☐ Transaction No. _____ Name: _____
TOTAL PROJECT OR TRANSACTION COSTS 1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	$86,500,000
INFLOWS: 2. Private Investment	$ 8,600,000
3. Private Debt from Lenders	$57,000,000
4. Subtotal--Private Sources (2+3)	$66,000,000
5. Action Grant	$20,500,000
6. Leverage Ratio (4÷5)	3.2: 1.0
7. Other Sources (e.g., other federal, state, local, and project income)	NA
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	$86,500,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	NA

*This form constitutes the response to Part II.B.7.b.

PHASE I

UDAG FORM 3*

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

Instructions: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity, Program Title, Contact Person, Address/Telephone (A)	Amount (B)	Type of Assistance (e.g. loan, grant, guarantee) (C)	Recipient (Person, firm, or entity) (D)	Nature and extent of activity to be financed by other public sources; spender; transaction name and number (E)	Funding Status		
					Committed (F)	Pending (G)	Application not Submitted (H)
Boston Industrial Development Finance Authority	$7.3 Million	IRB	Bayside Associates	Permanent Financing	Initially Approved Depend on UDAG Approval		

*This form constitutes the response to Part II.B.7.e.(1).

Page __ of __

PHASE III

UDAG FORM 3*

NA

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

Instructions: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity, Program Title, Contact Person, Address/Telephone (A)	Amount (B)	Type of Assistance (e.g. loan, grant, guarantee) (C)	Recipient (Person, firm, or entity) (D)	Nature and extent of activity to be financed by other public sources; spender; transaction name and number (E)	Funding Status		
					Committed (F)	Pending (G)	Application not Submitted (H)

This form constitutes the response to Part II.B.7.e.(1).

Page __ of __

II.B.8. PROJECT SCHEDULE

a. Timetable - (See Exhibit II.B.8-1)

7/31/82	-	UDAG Submission to HUD
8/30/82	-	Offering of Developer Solicitation Kit for Phase IIA
9/30/82	-	Developer Qualifications due on Phase IIA Solicitation Kit
9/30/82	-	UDAG Decision by HUD/Developer Finalists Selected
10/1/82	-	Phase I Construction to Commence
10/15/82	-	Developer Finalists Selected for Phase IIA
11/15/82	-	Developers Proposals Due From Finalists in Phase IIA Selection/Public Improvements Engineering to Commence on Phase I
12/31/82	-	Selection and Tentative Designation of Phase IIA Housing Developer
1/1/83	-	Phase I - Bayside Exposition Center Partial Opening
3/1/83	-	Phase I - Garment Showrooms Building Opening
4/1/83	-	Final Designation of Phase IIA Housing Developer
5/1/83	-	Start of Phase IIA Site Preparation
6/1/83	-	Phase I - Completion of Bayside Exposition Center
7/1/83	-	Phase I - Public Improvements Construction Commences
9/1/83	-	Construction of Phase IIA Housing Commences
Fall/1984	-	Phase IIB - Retail/Parking Garage Site Preparation Commences/Phase III Developer Selection Process Commences
Sept/1984	-	Phase I - Public Improvements Completed
Fall/1985	-	Phase IIA Completion/UDAG Close-Out

PUBLIC IMPROVEMENTS TIMETABLE (PHASE I ONLY)

The following process of activities, requiring the listed private and public approvals has been worked out for the Phase I public improvements under the schedule below. The BRA, which will be acting as the City's agent to carry out the design, engineering and construction of these public improvements, is fortunate in that it can move quickly into engineering because it has an existing contract with Universal Engineering Corp. (UEC) which can be amended to include this work. Therefore, the BRA will not have to go through a lengthy public selection process for a new engineering firm nor will it have to endure a long consultant learning curve as UEC is familiar with Columbia Point due to its previous work there.

9/30/82	-	Phase I UDAG award
10/1/82 11/15/82	-	1) Signing of HUD/City contract for Phase I 2) Preparation of Universal Engineering Corp./BRA contract and BRA Board approval.
11/15/82 3/15/83	-	1) Engineering work on public improvements by Universal 2) Negotiations with Metropolitan District Commission, First National Bank, University of Massachusetts for land acquisition.
3/15/83	-	1) Final engineering report due 2) Property acquisition completed
3/15/83 5/15/82	-	City of Boston Public Improvement Commission review and approval process - advertisement, public hearings
5/15/83	-	1) Preparation of final plans
7/8/83		2) Advertising for and bidding on construction - selection of contractor
7/1/83 9/84	-	Construction of public improvements

II.B.8.b. Public Approvals

The following local public approvals and permits will be required for completion of Phase I of the Bayside Exposition Center Project.

1. BUILDING PERMIT

Boston Building Department. Developer should submit plans for review to the Building Department as soon as Final Working Plans and Specifications are prepared and appropriate zoning action taken.

2. PUBLIC IMPROVEMENTS COMMISSION APPROVAL

Public Improvements Commission (PIC). Prior to approval of any new curb cut, modifications or elimination of existing curb cuts the developer or his contractor will have to apply to PIC for appropriate approvals.

3. PUBLIC WORKS DEPARTMENT PERMITS

Boston Public Works Department, Permit Division. For any new curb cuts, modification or elimination of existing curb cuts, permission to excavate or conduct other construction in any Boston public streets, the developer or his contractor will have to apply to the Public Works Department Permit Division for appropriate permits. This process is started by submitting Final Working Drawings to the Public Works Department Engineering Division at the same time plans are filed with the Building Department.

4. BOSTON WATER AND SEWER COMMISSION PERMITS

Boston Water and Sewer Commission. Plans for connecting the project to the public water and sewer systems should be filed for review and approval with the Commission, simultaneously with the submission under Item 2 to the Public Works Department.

5. BOARD OF APPEALS

The Bayside Exposition Center will require a conditional use permit for parking from the City's Board of Appeals.

TIMETABLE

Phase I: Bayside Exposition Center	Phase I: Public Improvements	Phase I: UDAG			Phase II: Developer Selection Process	Phase II: Housing	Phase II: Public Improvements
Bldg. Evaluation + Demolition		Sub-mission	1982	8			
				9	Developers Kits Out		
Construction Starts	Contract Preparation	Phase I Award		10	Developers' Qualifications Due		
		HUD/City Contract		11	Developer Finalists Selected		
	Engineering Starts			12	Finalist Proposals Due		
Expo Center Opens	Land Acquisition Negotiations	City/Bayside Contract	1983	1	Selection, Tentative Designation of Developer		
				2			
Garment Show-Rooms Open				3			
	Final Report Due/Acquisition Complete			4	Final Designation of Developer		
				5		Site Preparation Starts	Engineering Starts
Final Construction Completed/Permanent Financing Take-Out	Approvals Completed Advertising/Bids	Bayside $225M Loan Drawn Down		6			
				7			
	Construction Starts			8			Land Acquisition Negotiations
				9		Housing Construction Starts	
		Draw Down of Public Improvements Grant		10			Public Approvals
				11			
				12			
			1984	1			Advertising Bids
				2			
				3			
				4			Construction Starts
				5			
				6			
				7			
		Phase I UDAG Closeout		8			
	Construction Completed			9			
Parking Garage/Retail Construction Starts				10			
				11			
				12			
			1985	1			
				2			
				3			
				4			
				5			
				6			
				7			
				8			
				9			Public Improvements Completed
				10		Housing Completed	

EXHIBIT IIB8-1

PART III

Evidence of Meeting Program Objectives

SECTION A

Alleviation of Physical Distress

UDAG FORM 4*

ALLEVIATION OF PHYSICAL DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the project, insert "N/A." Attach additional pages to complete your responses if necessary, and indicate the item on Form 4 to which the additional response refers.

1. Residential Projects

	New Construction (A)		Rehabilitation (B)		Demolished (% Substandard) (C)	Historic** Restoration (D)
	Single Family	Multi-Family	Single Family	Multi-Family		
No. Units	N/A	N/A	N/A	N/A	N/A	N/A
No. Occupants before project	N/A	N/A	N/A	N/A	N/A	N/A
No. Occupants after project completed	N/A	N/A	N/A	N/A	N/A	N/A

2. Commercial/Industrial Projects

Acres Cleared	-0-
No. Buildings Demolished (% Substandard)	-2-
Total Square Footage Demolished	8,850 sq.ft.
Percent Occupied Before Demolition	-0%-

	New Construction (A)	Rehabilitation (B)	Historic Restoration*** (C)
No. Buildings	-0-	4	-1-
Total Square Footage	-0-	300,000 sf	300,000 sf

* This form constitutes the response to Part III.A.

** For residential historic restoration projects, include the number of units and occupants in Column D and Column A or B.

*** For commercial or industrial historic restoration projects, include information in Column C and Column B.

PHASE I (continued)

3. **Projects with Infrastructure Components** N/A

	Water (A)	Sewer (B)	Sanitary (C)
Linear feet of new pipe	N/A	N/A	N/A
Linear feet of pipe replaced	N/A	N/A	N/A

Capacity added (units served, mgd, or other standard)	N/A	N/A	N/A
- Residential	N/A	N/A	N/A
- Commercial	N/A	N/A	N/A
- Industrial	N/A	N/A	N/A
Total Capacity Added	N/A	N/A	N/A

4. **Projects with Beautification and Street Improvement Components**

Describe beautification and street improvement efforts in the proposed project. Indicate the scope of the project by citing the type and amount of work undertaken on new streets, resurfacing, widening, sidewalks, street lights, benches, landscaping, etc. Contrast the proposed new facilities with existing conditions.

The BRA is including, in its Phase I UDAG request, $2.1 million to pay for engineering work and construction of transportation access and circulation changes for the surrounding area sine the City has no current funding or can identify no other funding sources, on short notice, to make the necessay public improvements.

A new, more direct, and attractive entrance way from the Day Boulevard will be constructed. Pedestrian walkways will also be added. This access will provide the capability of handling higher traffic volumes necessary for the success of Bayside Exposition Center, which will likely draw 30,000 visitors per day for large shows. It will also serve as a strong transportation connection to the rest of the City and link the housing community to the Expostion Center and the highway. The complete improvements will integrate the southern (Kennedy Library/UMass) end of the Peninsula to the northern (Exposition Center/Housing) end by creating vehicular routes adn pedestrian walkways.

The $2.1 million public improvements budget will constist of $300,000 for engineering and design, $1.3 million for the new Day Boulevard/Mt. Vernon Street entrance and $500,000 for the new connection of UMass Loop Road to Mt. Vernon Street.

PHASE I

UDAG FORM 4

ALLEVIATION OF PHYSICAL DISTRESS

- METHODOLOGY AND SOURCES -

2) Commercial/Industrial Projects

For this commercial phase of the Columbia Point Mixed Use Project,building and land data have been provided by the developer and checked by the Boston Redevelopment Authority Planning and Research Departments.

SQUARE FOOTAGES

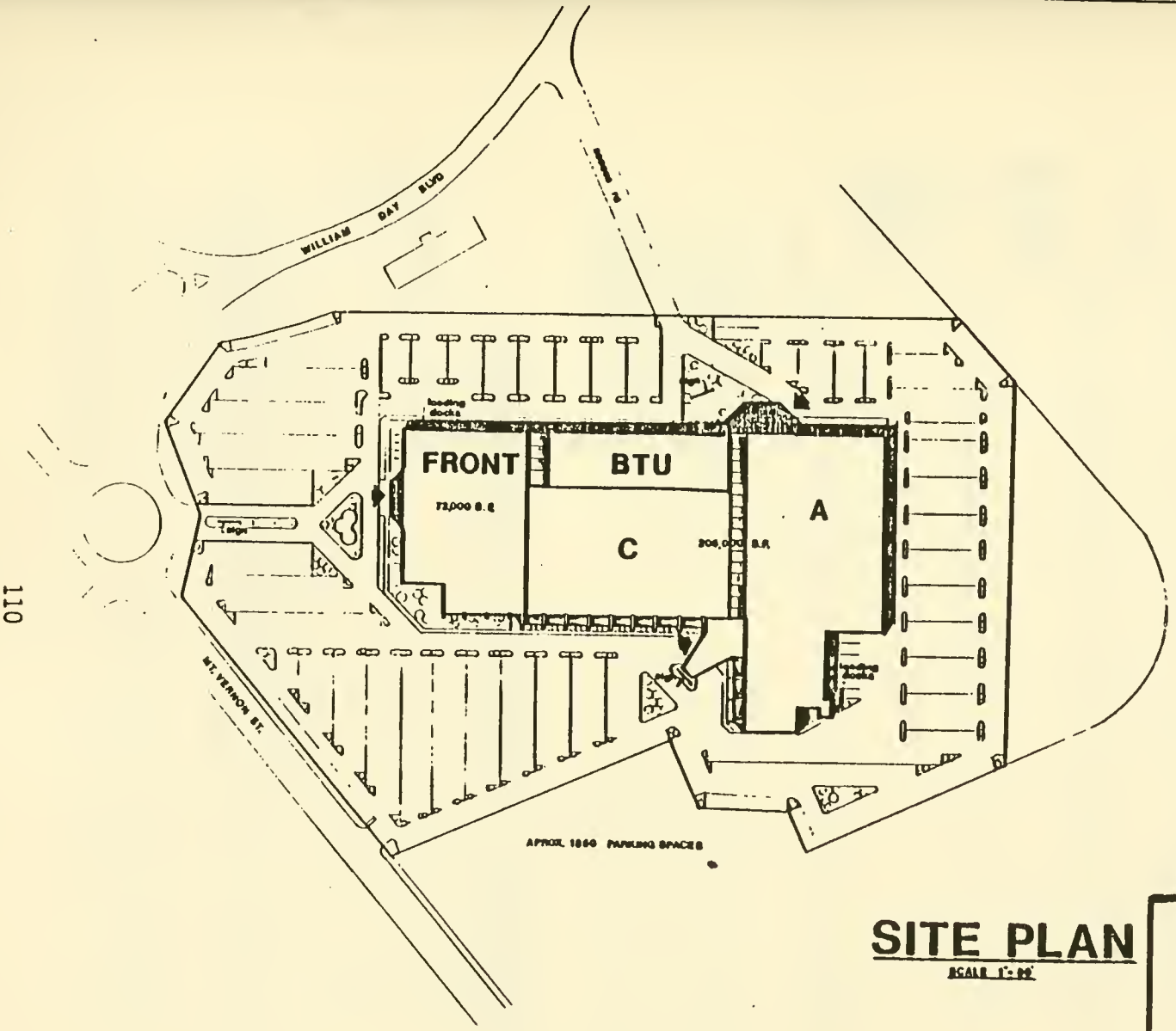
BAYSIDE EXPO AND GARMENT CENTER

Land	21+ acres		
Bldgs.	Front	72,000 sq.ft.	(vacant)
	Teachers	30,000 sq.ft.	(leased to Boston Teachers Unio
	Bldg. A	115,000 sq.ft.	(vacant
	Bldg. C	60,000 sq.ft.	(vacant)
	Total	277,000 sq.ft.	(existing)*

SEE ATTACHED MAP OF SITE

* 300,000 sq.ft. proposed at project completion because minor reconstructic adds a small amount of new space.

4) A description of beautification and street improvement efforts which will be completed by the City have been provided by the Boston Redevelopment Authority Planning Department.



LOCUS PLAN

SITE PLAN

III-A

COLUMBIA POINT PENINSULA
REVITALIZATION PROGRAM

UDAG FORM 4*

ALLEVIATION OF PHYSICAL DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the project, insert "N/A." Attach additional pages to complete your responses if necessary, and indicate the item on Form 4 to which the additional response refers.

1. Residential Projects

	New Construction (A)		Rehabilitation (B)		Demolished (% Substandard) (C)	Historic** Restoration (D)
	Single Family	Multi-Family	Single Family	Multi-Family		
No. Units	0	600	0	600	152	0
No. Occupants before project	0	0	0	0	100%	0
No. Occupants after project completed	0	1,440	0	1,440	0	0

2. Commercial/Industrial Projects

Acres Cleared	-0-
No. Buildings Demolished (% Substandard)	-0- (1)
Total Square Footage Demolished	-0-
Percent Occupied Before Demolition	-0-

	New Construction (A)	Rehabilitation (B)	Historic Restoration*** (C)
No. Buildings	1	-0-	-0-
Total Square Footage	30,000	-0-	-0-

* This form constitutes the response to Part III.A.

** For residential historic restoration projects, include the number of units and occupants in Column D and Column A or B.

*** For commercial or industrial historic restoration projects, include information in Column C and Column B.

(1) Until developer is selected and draws up housing plans the exact number of demolished units is not available. It is expected that there will be a small number of demolitions - all of substandard units.

UDAG FORM 4*

ALLEVIATION OF PHYSICAL DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the project, insert "N/A." Attach additional pages to complete your responses if necessary, and indicate the item on Form 4 to which the additional response refers.

1. Residential Projects

	New Construction (A)		Rehabilitation (B)		Demolished (% Substandard) (C)	Historic** Restoration (D)
	Single Family	Multi-Family	Single Family	Multi-Family		
No. Units	N/A	N/A	N/A	N/A	N/A	N/A
No. Occupants before project	N/A	N/A	N/A	N/A	N/A	N/A
No. Occupants after project completed	N/A	N/A	N/A	N/A	N/A	N/A

2. Commercial/Industrial Projects

Acres Cleared	-0-
No. Buildings Demolished (% Substandard)	-2-
Total Square Footage Demolished	8,850 sq.ft.
Percent Occupied Before Demolition	-0%-

	New Construction (A)	Rehabilitation (B)	Historic Restoration*** (C)
No. Buildings	-0-	4	-1-
Total Square Footage	-0-	300,000 sf	300,000 sf

* This form constitutes the response to Part III.A.

** For residential historic restoration projects, include the number of units and occupants in Column D and Column A or B.

*** For commercial or industrial historic restoration projects, include information in Column C and Column B.

PHASE I (continued)

3. **Projects with Infrastructure Components** N/A

	Water (A)	Sewer (B)	Sanitary (C)
Linear feet of new pipe	N/A	N/A	N/A
Linear feet of pipe replaced	N/A	N/A	N/A

Capacity added (units served, mgd, or other standard)	N/A	N/A	N/A
- Residential	N/A	N/A	N/A
- Commercial	N/A	N/A	N/A
- Industrial	N/A	N/A	N/A
Total Capacity Added			

4. **Projects with Beautification and Street Improvement Components**

Describe beautification and street improvement efforts in the proposed project. Indicate the scope of the project by citing the type and amount of work undertaken on new streets, resurfacing, widening, sidewalks, street lights, benches, landscaping, etc. Contrast the proposed new facilities with existing conditions.

The BRA is including, in its Phase I UDAG request, $2.1 million to pay for engineering work and construction of transportation access and circulation changes for the surrounding area sine the City has no current funding or can identify no other funding sources, on short notice, to make the necessay public improvements.

A new, more direct, and attractive entrance way from the Day Boulevard will be constructed. Pedestrian walkways will also be added. This access will provide the capability of handling higher traffic volumes necessary for the success of Bayside Exposition Center, which will likely draw 30,000 visitors per day for large shows. It will also serve as a strong transportation connection to the rest of the City and link the housing community to the Expostion Center and the highway. The complete improvements will integrate the southern (Kennedy Library/UMass) end of the Peninsula to the northern (Exposition Center/Housing) end by creating vehicular routes adn pedestrian walkways.

The $2.1 million public improvements budget will constist of $300,000 for engineering and design, $1.3 million for the new Day Boulevard/Mt. Vernon Street entrance and $500,000 for the new connection of UMass Loop Road to Mt. Vernon Street.

PHASE I

UDAG FORM 4

ALLEVIATION OF PHYSICAL DISTRESS

- METHODOLOGY AND SOURCES -

2) Commercial/Industrial Projects

For this commercial phase of the Columbia Point Mixed Use Project,building and land data have been provided by the developer and checked by the Boston Redevelopment Authority Planning and Research Departments.

SQUARE FOOTAGES

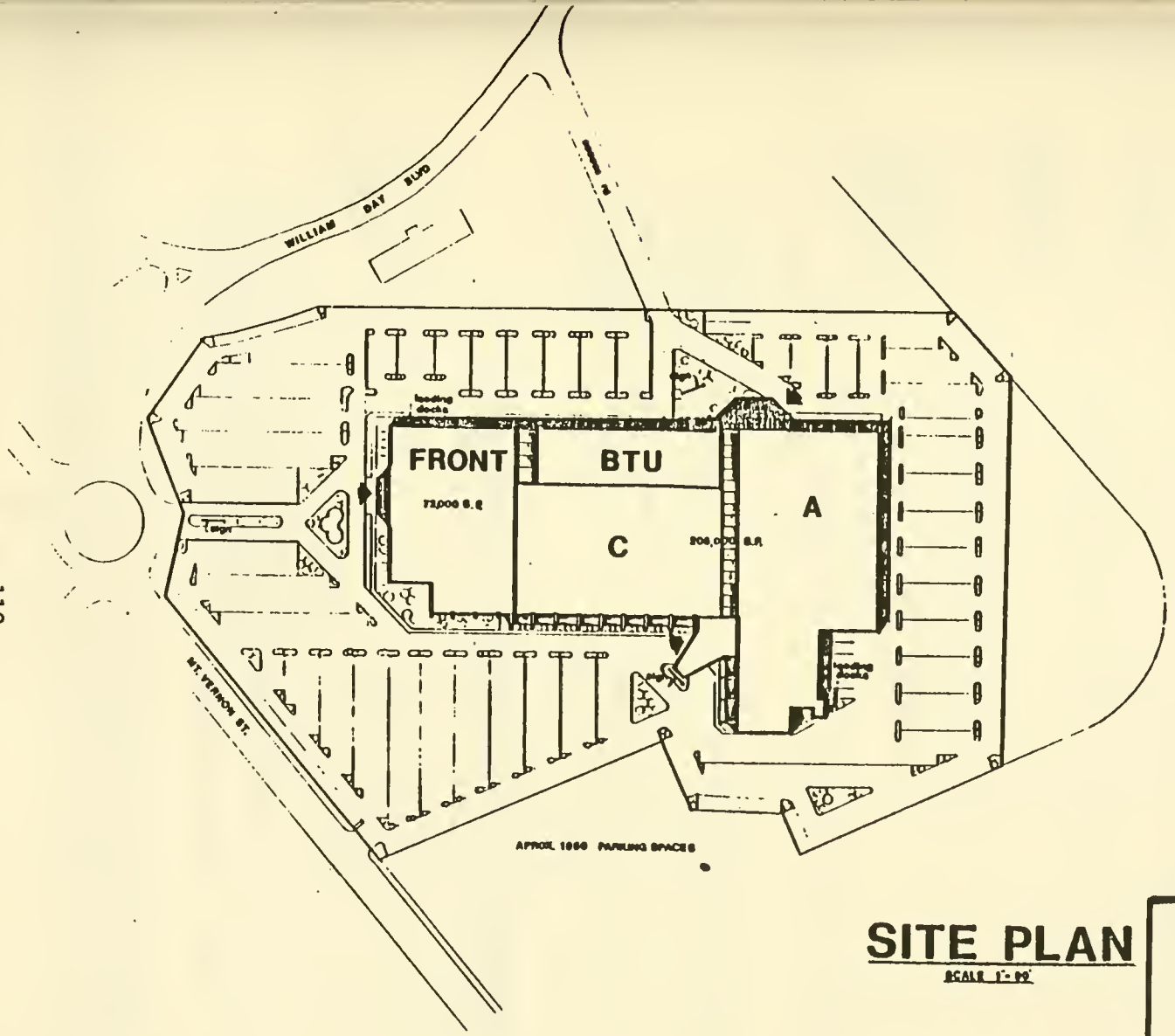
BAYSIDE EXPO AND GARMENT CENTER

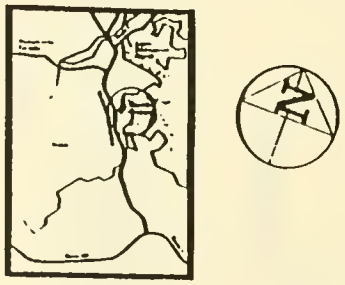
Land	21+ acres		
Bldgs.	Front	72,000 sq.ft.	(vacant)
	Teachers	30,000 sq.ft.	(leased to Boston Teachers Unio
	Bldg. A	115,000 sq.ft.	(vacant
	Bldg. C	60,000 sq.ft.	(vacant)
	Total	277,000 sq.ft.	(existing)*

SEE ATTACHED MAP OF SITE

* 300,000 sq.ft. proposed at project completion because minor reconstructic adds a small amount of new space.

4) A description of beautification and street improvement efforts which will be completed by the City have been provided by the Boston Redevelopment Authority Planning Department.





LOCUS PLAN

SITE PLAN

SCALE 1"=80'

III-A

COLUMBIA POINT PENINSULA
REVITALIZATION PROGRAM

UDAG FORM 4*

ALLEVIATION OF PHYSICAL DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the project, insert "N/A." Attach additional pages to complete your responses if necessary, and indicate the item on Form 4 to which the additional response refers.

1. Residential Projects

	New Construction (A)		Rehabilitation (B)		Demolished (% Substandard) (C)	Historic** Restoration (D)
	Single Family	Multi-Family	Single Family	Multi-Family		
No. Units	0	600	0	600	152	0
No. Occupants before project	0	0	0	0	100%	0
No. Occupants after project completed	0	1,440	0	1,440	0	0

2. Commercial/Industrial Projects

Acres Cleared	-0-
No. Buildings Demolished (% Substandard)	-0- (1)
Total Square Footage Demolished	-0-
Percent Occupied Before Demolition	-0-

	New Construction (A)	Rehabilitation (B)	Historic Restoration*** (C)
No. Buildings	1	-0-	-0-
Total Square Footage	30,000	-0-	-0-

* This form constitutes the response to Part III.A.
** For residential historic restoration projects, include the number of units and occupants in Column D and Column A or B.
*** For commercial or industrial historic restoration projects, include information in Column C and Column B.

(1) Until developer is selected and draws up housing plans the exact number of demolished units is not available. It is expected that there will be a small number of demolitions - all of substandard units.

3. **Projects with Infrastructure Components** N/A

	Water (A)	Sewer (B)	Sanitary (C)
Linear feet of new pipe			
Linear feet of pipe replaced			

Capacity added (units served, mgd, or other standard)			
- Residential			
- Commercial			
- Industrial			
Total Capacity Added			

4. **Projects with Beautification and Street Improvement Components**

Describe beautification and street improvement efforts in the proposed project. Indicate the scope of the project by citing the type and amount of work undertaken on new streets, resurfacing, widening, sidewalks, street lights, benches, landscaping, etc. Contrast the proposed new facilities with existing conditions.

An estimated $4.3 million of UDAG funds are requested for engineering and construction of transportation and pedestrian improvements at the site of the new rehabilitated housing.

The Phase II public improvements will continue the access and circulation changes planned for Phase I to connect the Peninsula, on which the housing will be located, more directly, effectively and attractively to the larger community. These improvements will concentrate on upgrading traffic circulation and other public amenities on the interior of the Peninsula. Pending exact plans by the developer for the housing development, the improvements are expected to include the landscaping of Mt. Vernon Street, improving circulation within Phase II housing parcel, and upgrading vehicular and pedestrian access to the waterfront and to the Bayside/retail area.

PHASE II

UDAG FORM 4

ALLEVIATION OF PHYSICAL DISTRESS

- METHODOLOGY AND SOURCES -

1. Residential Projects

From preliminary plans drawn up by the Planning and Development Departments of BRA, Phase II of the Columbia Point Project is scheduled to have 1,200 units of moderate and market-rate rental housing. (See Project Overview) These units are to be both new (tower and townhouse) and rehabiltiated (BHA housing reconstruction) structures. At this time, there is no exact number of new and rehabilitated units, but it is estimated at about 50% (600) new and 50% (600) rehabilitated. The reconstructed housing is to be developed from the existing 1/2 of the Columbia Point project (752 of 1,504 units). Thus, the resulting 600 units will eliminate 152 units through remodelling and/or partial demolition of present housing units.

2. Commercial/Industrial Projects

The only commercial component of this project will be a small retail mall development (20,000 square feet) and a restaurant (10,000 square feet) to be a newly constructed property on or near the site of the housing project development.

3. No added infrastructure

4. Beautification and Street Improvement description provided by BRA Planning Department.

SECTION

Alleviation of Economic Distr

UDAG FORM 5*

ALLEVIATION OF ECONOMIC DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project, insert "N/A." Attach additional pages to complete your responses to questions 2 and 3 if necessary, and indicate the item on Form 5 to which the additional response refers. For purposes of this application, jobs should be stated in Full Time Equivalents i.e., two half-time jobs equal one full time equivalent (FTE) job.

1. Job Creation Potential of Proposed Project

	Low & Mod. Income (A)	Middle Income (B)	Upper Income (C)	Total (D)
A. Permanent Jobs				
(1) New jobs	146	293	49	488
(2) CETA** Subsidized new jobs	0	0	0	0
(3) Jobs retained	0	0	0	0
(4) Jobs transferred to project area	15	30	5	50
(5) Jobs transferred out of project area	0	0	0	0
(6) Total permanent jobs	161	323	54	538
(7) % Private sector	100%	100%	100%	100%
(8) % Public sector	0%	0%	0%	0%
(9) % CETA** subsidized	0%	0%	0%	0%
(10) Average Salary/Wage	$9,500/yr	$18,000	$25,000	$17,500/yr
B. Temporary Jobs				
(11) Construction jobs created	0	0	175	175
(12) Other temporary jobs	0	0	0	0
(13) Total temporary jobs	0	0	0	0
(14) % Private sector	0%	0	100%	100%
(15) % Public sector	0%	0%	0%	0%
(16) % CETA subsidized	0%	0%	0%	0%
(17) Average Salary/Wage	--	--	$22,000	$22,000/ yr.

* This form constitutes the response to Part III.B.1.

** Comprehensive Employment and Training Act. The number of new CETA jobs should appear on line (2) and should also be included in the total new jobs on line (1).

2. Increase in Business Activity

Centers are estimated to generate almost $4,000,000 million of direct economic activity in the City of Boston and the surroundin metropolitan area by the third full year of operation. Accordingly, the spin-off, multiplier effect of this increased economic activity could generate 2.5 times more revenues, locally, through the enhancement of complementary retail, office, hotel and convention businesses. Since this project does not replace any existing activities, it is therfore all a net new additon of economic activity. There is no way to measure an exact percentag of business activity in the local area, but the Columbia point region has fewer businesses than before and this project should substantially add to local business activity.

3. Other Economic Indicators

If there are any other specific indicators of the overall alleviation of economic distress in the community which will result from the proposed project, please describe them. For example: reduction of population outmigration or housing overcrowding, or the replacement of abandoned buildings.

The successful completion of this project, Bayside Exposition Center, including the wholesale Garment Center, will have many substantial benefits to the Boston economy, particularly regarding new jobs, increased economic vitality, and the active use of presently vacant facilities. Rehabilitation of severly underutilized, predominantly vacant commercial buildings will upgrade the physical appearance of visibly blighted property along a busy highway and put the distressed area back into active use by the community. The 538 permanent and 175 construction jobs will provide employment for many Boston area residents and serve to moderate and unemployment rate which has been rising as economic conditions deteriorate locally, regionally and nationally. In addition, the large increase in business activity will generate many dollars for local businessmen and community residents. The garment and exposition centers enhance the attractiveness and vitality of the local economy and blend well with the apparel industry and convention/trade businesses which are currently local specialties. In addition, tax revenues will serve to boost the state, local and federal government funds

for many purposes from an area that is largely unproductive at this time. In sum, this project will be an economic boost to business, government and the community.

UDAG FORM 5

ALLEVIATION OF ECONOMIC DISTRESS

- METHODOLOGY AND SOURCES -

1. JOB CREATION POTENTIAL OF PROPOSED PROJECT
A & B PERMANENT AND TEMPORARY JOBS

Data for the numbers of permanent and temporary jobs have been provided by the pro forma project description from the developer: O.B.C., Inc. - Corcoran, Mullins, Jennison, Inc. Occupational titles and average salaries were derived by the Boston Redevelopment Authority Research Department using Occupational Profiles of Massachusetts Industries from the Massachusetts Division of Employment Security and the 1981 Boston Area Wage and Salary Surveys from the U. S. Bureau of Labor Statistics, Boston Regional office. In addition, the Neighborhood Employment and Development Agency, CETA Manpower Planning Agency for the City of Boston, reviewed this work and determined that no CETA job positions could be guaranteed under existing manpower programs (see the Employment Plan).

PHASE I

BAYSIDE EXPOSITION CENTER

JOBS

TEMPORARY

CONSTRUCTION	175

PERMANENT

EXPOSITION CENTER

Professional/Technical/Managerial	7 (8%)
Clerical	5 (6%)
Craftsmen/Operative/Maintenance	15 (17%)
Service	61 (69%)
New Jobs	88 (100%)

GARMENT CENTER - SHOWROOMS

Professional/Technical/Managerial	73 (16%)
Clerical	146 (32%)
Sales	101 (23%)
Maintenance/Production	122 (27%)
Service	8 (2%)
	* 450 (100%)
New Jobs	* (400)
Transferred	* (50)

Total Permanent Jobs	538

* Of 450 Garment Center jobs, 400 are to be new jobs created on site, while 50 are to be transferred from existing location in Woburn, MA

UDAG FORM 5*

ALLEVIATION OF ECONOMIC DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project, insert "N/A." Attach additional pages to complete your responses to questions 2 and 3 if necessary, and indicate the item on Form 5 to which the additional response refers. For purposes of this application, jobs should be stated in Full Time Equivalents i.e., two half-time jobs equal one full time equivalent (FTE) job.

1. Job Creation Potential of Proposed Project

	Low & Mod. Income (A)	Middle Income (B)	Upper Income (C)	Total (D)
A. Permanent Jobs				
(1) New jobs	48	30	12	90
(2) CETA** Subsidized new jobs	0	0	0	0
(3) Jobs retained	0	0	0	0
(4) Jobs transferred to project area	0	0	0	0
(5) Jobs transferred out of project area	0	0	0	0
(6) Total permanent jobs	48	30	12	90
(7) % Private sector	100%	100%	100%	100%
(8) % Public sector	0%	0%	0%	0%
(9) % CETA** subsidized	0%	0%	0%	0%
(10) Average Salary/Wage	$10,000	$17,500	$25,000	$14,310/yr.
B. Temporary Jobs				
(11) Construction jobs created	0	0	774	774
(12) Other temporary jobs	0	0	0	0
(13) Total temporary jobs	0	0	774	774
(14) % Private sector	0%	10%	100%	100%
(15) % Public sector	0%	0%	0%	0%
(16) % CETA subsidized	0%	0%	0%	0%
(17) Average Salary/Wage	--	--	$22,000	$22,000/yr.

* This form constitutes the response to Part III.B.1.

** Comprehensive Employment and Training Act. The number of new CETA jobs should appear on line (2) and should also be included in the total new jobs on line (1).

2. Increase in Business Activity

Phase Two of the Columbia Point Project is expected to generate sales and business activity from the retail stores and restaurant portion, while the only rental income will be dervied from the housing units. Based upon average retail sales volume in the Boston area, an estimated $5.5 million in direct gross sales will be transacted on the 30,000 square feet premises. This will be a substantial poriton of total retail business activity at Columbia Point which presently has few stores. It is expected tha the retail stores will be used by the housing tenants and the employees of and visitors to the adjacent Bayside Exposition Center - a welcome complementary addition to the mixed use nature of the whole Columbia Point project area. No volume of indirect spin-off sales is estimated. The 1200 housing units will provide $12.6 million gross and $8.6 million net income to the housing owners and managers. (Only applies for moderate and market rate units.

3. Other Economic Indicators

If there are any other specific indicators of the overall alleviation of economic distress in the community which will result from the proposed project, please describe them. For example: reduction of population outmigration or housing overcrowding, or the replacement of abandoned buildings.

Several direct effects of this project will serve to alleviate economic distress in Boston and the Columbia Point area :

(1) Rehabilitation and new construction of housing will replace a vast amount of abandoned, deteriorated, and chronically vacant housing structures in the area. Presently, 3/4 of the 1,504 umits of public housing at the site are vacant and unable to be occupied. After this project is complete, all of the newer units will be occupied and blight will be eliminated.

(2) Provision of housing will provide needed new units to the City which currently has low vacancy rates (4%) and a tight housing market. The low income guaranteed units to be done as a complementary project, not a direct part of this UDAG proposal, will house current BHA Columbia Point Project tenants who are in need of new, decent, affordable housing. The moderate income and market-rate housing of this UDAG project will bring a newer mixed-income immigration of population to the site and will provide a more mixed and varied local community.

(3) Both the housing and retail uses will provide 90 jobs to the community helping to lower unemployment (8.3%) and provide a more viable economic market to the presently isolated area. The retail use can also complement the Phase I Bayside Exposition Center.

PHASE II

UDAG FORM 5

ALLEVIATION OF ECONOMIC DISTRESS

METHODOLOGY AND SOURCES

1. Job Creation Potential

A and B Permanent and Temporary Jobs

The data on the number of permanent and temporary jobs created at Phase II of the Columbia Point Multi-Use Project, the occupational structure of jobs, and salary rates have been estimated by BRA Research Department based upon:

a. Employment multipliers of past projects regarding number of jobs per project size

- 1200 housing units @ 80 units per job = 15 new jobs
- 20,000 square feet of retail space @ 400 square feet per job = 50 jobs
- 10,000 square feet of restaurant space @ 400/job = 25 new jobs

b. Occupational percentages of Massachusetts industries based upon Massachusetts Division of Employment Security "Occupational Profiles".

Housing

Professional/Technical/Managerial	1 (8%)
Clerical	2 (15%)
Maintenance/Production	1 (7%)
Service	11 (70%)
Total	15 (100%)

Retail Mall

Professional/Technical/Managerial	5 (9%)
Clerical	3 (5%)
Maintenance/Production	--
Service	42 (87%)
Total	50 (100%)

Retail/Restaurant

Professional/Technical/Managerial	4 (15%)
Clerical	6 (26%)
Maintenance/Production	2 (6%)
Service	8 (33%)
Sales	5 (21%)
Total	25 (100%)

c. Salary rates based upon estimates from Bureau of Labor Statistics Boston Area Wage Surveys (1981) adjusted to skill levels of occupations. Thus, distribution of jobs by salary category reflects job compensation/occupation and lower average income shows lower skill levels of retail and housing related jobs.

d. Construction jobs calculated based upn labor at 55% and 60% of construction cost for housing and retail projects respectively and average Annual Full-Time equivalent construction salary and benefits of $22,000 per employee.

2. Increase in business activity based upon:

- retail sales of $200/sq.ft./year for retail mall and $150/sq.ft./year for restaurant.

- housing gross and net income provided by developer and BRA Development Department (see UDAG Form 8, #1)

3. Other Economic Indicators of Alleviation of Economic Distress provided by BRA Research Department.

III.B.2. Method of Calculation - Phase I Only

The permanent jobs to be created by this project must be calculated separately for each component. The exhibition area will generate 88 permanent jobs to support the shows which will be held there. This number is based on the experience at Hynes Auditorium and Commonwealth Pier, which have been the sites for the shows which will now use the Bayside Exposition facility. It is important to note that no jobs will be lost at the other two sites, so that the jobs created at Bayside will be a net gain to the City. Hynes Auditorium will continue at the same level with in fact, a major expansion planned, but solely as a site for conventions which can take advantage of the downtown hotel and restaurant facilities. The trade and gate shows which will be using Bayside will cater to a local and regional clientele who will come by car or public transportation just for the day. Commonwealth Pier had also served this market, but it has now closed to be converted into a facility catering strictly to high tech exhibits on a permanent basis. When it re-opens it will employ at least as many people as it did before, so that the jobs at Bayside are in no way a substitution for those at Commonwealth Pier.

The showroom component of Bayside will generate 3 permanent jobs per room. Since there will be 150 rooms, that means 450 jobs. The Women's Apparel Group, who will utilize these rooms, are presently supporting 2 jobs per showroom but plan to expand their operations by 50% as a result of their move to the more attractive facilities at Bayside. Since none of these jobs are presently located in Boston, all 450 represent new jobs to the City.

III.B.3. Effect on Other Jurisdiction

There are no firms moving into the project area for any other governmental jurisdictions.

SECTION C

Fiscal Improvement

UDAG FORM 6*

FISCAL IMPROVEMENT

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project insert "N/A." Attach additional pages to complete your response if necessary, and indicate the item on Form 6 to which the additional response refers.

		Dollar** Increase or (Decrease)
a.	Value of property added to tax rolls by proposed project	$15,900,000
b.	Less: Reduction in assessed value from demolition and other changes	$11,003,828
c.	NET INCREASE OF VALUE ADDED TO TAX ROLLS	
d.	Incremental Tax Revenue (line a x Local Tax Rate)	$465,000
e.	Sales Tax — State	$300,000
	— Local	N/A
	— Special	N/A
f.	Income Tax — Personal	$ 1,201,962
	— Corporate	$ 152,640
g.	Personal Property Tax	N/A
h.	Payments in Lieu of Taxes	N/A
i.	Increase in Taxes (d + e + f + g + h)	$2,119,602
j.	Less: Reduced collections in categories e through h due to demolitions, closings, etc.	0
k.	NET INCREASE IN TAX COLLECTIONS (i-j)	$2,119,602
l.	NET INCREASE/$000 IN UDAG	$501.68

* This form constitutes the response to Part III.C.1.
** Base information on fiscal improvement on an estimate of circumstances in the first year after Action Grant project completion.

CONSTRUCTION PHASE TAX REVENUE - $767,136

* NOTE: First Full Year after Phase I Action Grant Project Completion
July 1, 1982 - June 30, 1983

2. Return to Local Government

	DOLLARS
a. Increase in annual tax revenue to local government*	$530,434.30
b. Total expected investment by local government	0
c. "Return on Investment" to local government (a÷b)	$530,434.30

3. Tax Breaks

Describe tax abatement packages which have been offered to businesses and homeowners in connection with the project. Include names or categories of beneficiaries, the term of each package, how the tax reduction is structured, and the total annual value of the offer. If payments in lieu of taxes (PILOT) are involved, describe the proposed terms. NOTE: Increased tax base is a selection criterion for Action Grants.

NOT APPLICABLE

4. General Tax Reductions

If any reduction in taxes unrelated to the project (e.g., a drop in the tax rate for homeowners in the municipality) is included as a part of the overall plan for the project, describe the terms of the reduction and the reasons that it is appropriate.

NOT APPLICABLE - NO REDUCTIONS

5. Construction Tax Revenue

a.	Income Taxes	$651,788
b.	Sales Taxes	$115,348
	TOTAL	$767,136

* Base this increase on an estimate of the circumstances in the first year after Action Grant Project completion.

UDAG FORM 6

FISCAL IMPROVEMENT

- METHODOLOGY AND SOURCES -

The Fiscal characteristics of this project were determined from Pro Forma data provided by the developer regarding budgeted development costs and estimated ecomomic activity upon full project completion. (See Part II - Description of Proposed Project). Boston Redevelopment Authority Research Department used existing rates for various local, state, and federal government taxes - property, sales, personal income, and corporate taxes. Methodology for tax calculation are summarized below:

a. Value of property added to tax rolls is the total development cost of this project (See Phase I Project Budget)

b. Reduction in assessed value is an estimate of what present full market valuation would be based on current assessment of $1,525,000 (from City Assessing Department) set at 13.9% of full market value (assuming present tax levy $352,122.50 represents 3.2% of full value).

c. Net increase is line a - line b

d. Incremental tax revenue is 3.0% of full market value from line a. This is from a BRA Development and Research Department study (Carlaw/Avault) of City tax base 1981.

e. Sales taxes calculated as gross state receipts from an estimated $ 6 million retail sales by dealers at Exposition Center in first year of project taxed at existing rate of 5% per dollar.

f. Income taxes derived by applying state and federal average tax rates to salaries of employees (3 person family filing a joint return). Federal tax rates for 1982 from Internal Revenue Service. State tax rates from State Revenue Department after average deductions.

Corporate taxes by Federal and State governments based on average federal corporate tax of 42% of net taxable income and state rate of 2.2% after assuming that net taxable corporate income is 12% of first year owner's corporate rental income ($3,000,000).

INCOME TAX GENERATION

(1) Federal Income Taxes

	JOBS	SALARY LEVEL	INCOME TAX RATE	INCOME TAX PAYMENT
LOW	161	$9,500	$392	$63,112
MODERATE	323	$18,000	$1,823	$588,829
HIGH	54	$25,000	$3,437	$185,598
TOTAL	538	$17,500	--	$837,539

(2) State Income Taxes

Total Payroll (538 jobs)		$8,693,500
Less Federal Taxes	-	837,539
Less $2,000 deduction/return	-	1,076,000
Net Taxable Income		$6,779,961
State Tax Rate with Surcharge		.05375
Total State Tax Return		$ 346,423

TOTAL FEDERAL AND STATE INCOME TAXES $1,201,962

CORPORATE TAX GENERATION

(1) Federal

Total Project Site Gross Sales Revenue Year 1 Completion	$3,000,000
Percentage Net Corporate Income (12% income less expenses)	.12
Net Corporate Income	$ 360,000
Federal Corporate Tax Rate (42% estimate)	.42
Federal Corp. Tax Return	$ 144,720

(2) State

Net Corporate Income	$ 360,000
State Corporate Tax Rate (2.2%)	.022
State Corp. Tax Return	$ 7,920
TOTAL CORPORATE TAX REVENUES	$ 152,640

Source: Sales Revenue Estimate from Developer.
Tax Calculation by BRA Research Department

g. NOT APPLICABLE

h. NOT APPLICABLE

i. Sum of d, e, f. g, and h

j. Present taxes other than $352,122.50 local property tax not to be included on this line.

k. Same as Line i

l. $504.05 = line k/$4,225,000/1,000

2. Return to local government estimated as:

- property tax $465,000 (first full year payment estimate)
- local return of state tax generation 10% of ($300,000=+ 346,423 + $7,920)= $65,434.30
- Total = $530,434.30

There is no investment of local government funds expected.

3. Tax breaks not applicable.

Property is to be added to the existing Boston city property tax rollls. See 1.c. calculation.

4. General tax reduction not applicable.
There is no reduction.

5. Construction Tax Revenue Generation

Total Construction Cost	$9,227,810
Labor (50%)	($4,613,905)
Materials (50%)	($4,613,905)

Estimated from previous commercial rehabilitation project characteristics

a. Income Taxes

175 jobs at $22,000/job

Total payroll of $3,850,000

Federal Tax Rate of $2,800/employee

Federal Tax Return of $490,000

State Tax Rate of 5.375% of net taxable income ($3,850,000 payroll less Federal taxes and $2,000 exemption per employee)

State Tax Return of $161,788

Total Federal and State Income Tax Return $651,788

b. Sales Tax

Construction Materials	$4,613,905	
50% Massachusetts purchases	$2,306,953	
Sales Tax Rate, 5%	$ 115,348	$115,348

TOTAL CONSTRUCTION TAXES $767,136

SOURCE: BRA RESEARCH DEPARTMENT

UDAG FORM 6*

FISCAL IMPROVEMENT

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project insert "N/A." Attach additional pages to complete your response if necessary, and indicate the item on Form 6 to which the additional response refers.

		Dollar** Increase or (Decrease)
a.	Value of property added to tax rolls by proposed project	$88,300,000
b.	Less: Reduction in assessed value from demolition and other changes	0*
c.	NET INCREASE OF VALUE ADDED TO TAX ROLLS	$88,300,000
d.	Incremental Tax Revenue (line a x Local Tax Rate)	NA
e.	Sales Tax — State	$ 275,000
	— Local	NA
	— Special	NA
f.	Income Tax — Personal	$ 166,003
	— Corporate	$ 960,024
g.	Personal Property Tax	NA
h.	Payments in Lieu of Taxes	$600,000
i.	Increase in Taxes (d + e + f + g + h)	$2,001,027
j.	Less: Reduced collections in categories e through h due to demolitions, closings, etc.	-0-
k.	NET INCREASE IN TAX COLLECTIONS (i-j)	$2,001,027
l.	NET INCREASE/$000 IN UDAG	$97.61

* This form constitutes the response to Part III.C.1.
** Base information on fiscal improvement on an estimate of circumstances in the first year after Action Grant project completion.

* Current assessed value $130,990,000, but property is owned by City of Boston and is not taxed.

CONSTRUCTION TAX REVENUE (2 years) = $6,457,637

NOTE: FIRST FULL YEAR AFTER PHASE II ACTION GRANT PROJECT COMPLETION BEGINS SUMMER 1985

2. **Return to Local Government**

	DOLLARS
a. Increase in annual tax revenue to local government*	$637,629
b. Total expected investment by local government	0
c. "Return on Investment" to local government (a÷b)	$637,629

3. **Tax Breaks**

Describe tax abatement packages which have been offered to businesses and homeowners in connection with the project. Include names or categories of beneficiaries, the term of each package, how the tax reduction is structured, and the total annual value of the offer. If payments in lieu of taxes (PILOT) are involved, describe the proposed terms. NOTE: Increased tax base is a selection criterion for Action Grants.

"Under Chapter 652 of the Acts of 1960, the BRA has the power to approve applications for the formation of non-profit, limited dividend or cooperative entities under Massachusetts General Laws, Chapter 121A. The purpose of 121A is to ensure stable taxes on a development, thereby encouraging development in Boston. Under 121A, an eligible developer's property is exempt from certain property taxes for a specified period in exchange for a binding tax agreement based primarily on effective gross income." (CEDS 3) The 121A agreement is usually for a 15 year period and provides for a graduated tax payment during the construction period. The agreement also provides the City with an all encompassing review process of the project (design, transportation, zoning, etc.,). The developer is considering a 121A dseignation.

4. **General Tax Reductions**

If any reduction in taxes unrelated to the project (e.g., a drop in the tax rate for homeowners in the municipality) is included as a part of the overall plan for the project, describe the terms of the reduction and the reasons that it is appropriate.

NA

5. Construction Tax Revenue

a.	Income Taxes	$5,762,274
b.	Sales Taxes	695,363
	Total	$6,457,637

* **Base this increase on an estimate of the circumstances in the first year after Action Grant Project completion.**

PHASE II

UDAG FORM 6

- METHODOLOGY AND SOURCES -

1. The fiscal characteristics of this project were determined from Boston Redevelopment Authority planned project characteristics and budget (See Part II - Description of Proposed Project). BRA Research Department used existing rates for various local, state and federal government taxes - property, sales, personal income, and corporate taxes. Methodology for tax computations are summarized below:

a. Value of property added to tax rolls is the total development cost of this project (see Phase II Project Budget)

$86,500,000	housing
$ 1,800,000	retail
$88,300,000	total

b. Reduction in assessed value is in real terms 0. Although the eight BHA City of Boston public housing buildings are each assessed at a value of $16,374,200 for a total of $130,990,000. There are no property taxes paid because the buildings are City property.

c. Net increase is line a - line b.

d. Property will not be taxed at city property tax rate. Instead, a payment in lieu of taxes will be negotiated. See line h. and #3.

e. Sales taxes are calculated as gross state receipts from an estimated $4 million of retail sales ($200 annual average sales per square foot for 20,000 gross square feet) and $1.5 million restaurant sales ($150 annual average sales per square foot for 10,000 gross square feet) for first year of project taxed at existing sales tax rate of 5% per dollar.

f. Income taxes derived by applying state and federal average tax rates to salaries of employees (3-person families filing joint returns). Federal tax rates for 1982 from Internal Revenue Service. State tax rates from State Revenue Department after average deductions.

Corporate taxes by Federal and State governments based upon average federal corporate tax of 42% of net taxable income and state rate of 2.2%.

INCOME TAX GENERATION

(1) FEDERAL INCOME TAXES

	JOBS	SALARY LEVEL	INCOME TAX RATE	INCOME TAX PAYMENT
Low	48	$10,000	$400	$19,200
Moderate	30	$17,500	$1,750	$52,500
High	12	$25,000	$3,400	$40,800
Total	90	$14,310	$1,250	$112,500

(2) STATE INCOME TAXES

Total Payroll	$1,287,900	
Less Federal Taxes	$ 112,500	
Less $2,000 Deduction/Return	$ 180,000	
Net Taxable Income	$ 995,000	
State Taxable Rate with Surcharge	.05375	
Total State Tax REturn	$ 53,503	
TOTAL FEDERAL AND STATE INCOME TAXES		$166,003

CORPORATE TAX GENERATION

(1) FEDERAL

- Total project site gross retail sales and housing income revenue at Year 1 completion	$5,500,000	(sales)
	$12,600,000	(housin
Total	$18,100,000	
- Net corporate income sales at 12% gross	$ 660,000	
housing net income (12%)	$1,512,000	
Total	$2,172,000	
- Federal Corporate Tax Rate	.42	
- Federal Corporate Tax Return	$ 912,240	

(2) STATE

- Net corporate income	$2,172,000
- State corporate tax rate	.022
- State corporate tax return	$ 47,784
TOTAL CORPORATE TAX REVENUES	$ 960,024

g. NOT APPLICABLE

h. $600,000 payment in lieu of taxes (121A) estimated from budget of project. 1 (h) Payment in-lieu-of-Taxes -- Chapter 121A of the Massachusetts General Laws substitutes a state excise for real and personal taxes for corporations and partnerships which have been specifically qualified as 121A entities. Taxes are usually based on a percentage of gross income during a fifteen year agreement with the BRA. The agreement allows tax certiiainty, as applicants are able to project the level of potential tax liabilities. Currently, the actual amount and financing arrangements are in negotiation.

i. Sum of d, e, f, g, and h

j. No present tax generated revenues at site

k. Same as line i

1. $97.61 = $2,001,027

2. Return to local governement estimated as:

-121A payment $600,000

-local return of state tax generation 10% of ($275,000 + $53,503 + $47,784) = $37,629

- Total = $637,629

3. Written description of 121A tax negotiated payments provided by Boston Redevelopment Authority.

4. General Tax Reduction Not Applicable. There is nor reduction.

5. Construction Tax Revenue Generation for two years of construction activity:

Total Construction Cost	$61,810,000
Labor (55%)	33,995,500
Materials (45%)	27,814,500

Estimated from previous Boston housing and commercial development projects.

a. Income Taxes

774 Annual Full Time Equivalent Jobs at $22,000/job/year

2-year Construction Payroll $33,995,500
Federal Tax Rate of $2,800/employee
Federal Tax Return $4,334,400

State Tax Return of 5.375% of net taxable income
(Payroll less Federal Taxes and $2,000 exemption/employee

State Tax Return $26,565,100 x .05375 = $1,427,874

TOTAL CONSTRUCTION PHASE INCOME TAX REVENUE $4,762,274

b. Sales Tax

Constrcution Materials	$27,814,500
50% Massachusetts purchases	$13,907,250
Sales Tax Rate, 5%	.05
Total Construction Sales Tax	$ 695,363

TOTAL CONSTRUCTION PHASE TAX REVENUE $6,457,637

SECTION D

Impact on Minorities and Low Income Persons

D. IMPACT ON THE SPECIAL PROBLEMS OF LOW AND MODERATE INCOME PERSONS AND MINORITIES

1. Demographic Data - The following information is derived in part from the Dorchester and South Boston Neighborhood Profiles prepared by the Boston Redevelopment Authority.

As with many other older Northeastern cities, Boston has experienced significant population losses. Between 1970 and 1980, the City lost 12% of its total population, due to a 130,772 or 12% decrease in white population, which was only offset by a 54,000-person increase in Boston's non-white population.

While the total population decreased during the past decade, the total number of households in Boston remained stable. However, household size declined from 2.77 in 1970 to 2.42 in 1980 due to growth in single-person and 2-person households, resulting from increased incidence of divorce, decisions to delay marriage or having children and an increase in the elderly population.

Boston experienced a 10% increase in the number of lower income families between 1970 and 1980. In 1980, 60% of Boston's households fell into the lower income category earning $14,000 or less annually. The number of upper income families remained comparatively stable during the past decade with 19% of the City's families earning $21,870 or more per year in 1980.

Boston's housing stock has also undergone some major changes. Since 1970, 18,885 units have been built or completely rehabilitated, 3,000 of these specifically for elderly housing. The 1970 Census indicates that Boston's housing stock is dominated by older, two and three unit structures. Approximately 77% of these units were more than thirty years old in 1970 with a good portion of them being built before the turn of the century.

However, a 1973 survey shows that 70% of Boston's housing stock is in good condition.

In post World War II, due to the relocation of manufacturing firms to lower cost sites in the suburbs and the southern states, the City of Boston lost half of its industrial base. A total of 53,000 manufacturing jobs left the City. The City has been working to stabilize and reverse this trend and between 1976 and 1977 a gain of 4,200 manufacturing jobs was finally recorded.

The service sector has accounted for 90% of the jobs created in Boston since 1960. This trend is similar to that in most older cities, where there has been a significant shift from manufacturing to office uses as the most important elements of their economy. In 1977, the service sector accounted for 64% of Boston's jobs, an increase of 5% from 1970.

The New England region has experienced some of the highest unemployment rates in the nation, at times 15-20% above the national average. Boston, with its higher concentration of economically disadvantage residents, has had an unemployment rate twice the national average. Although the city-wide unemployment picture of Boston residents has recently improved, with unemployment dropping from a high of 12.7% to 8.3% (annual 1978 average), chronic, high unemployment remains in those neighborhoods with a large percentage of Boston's minority population.

The socio-economic characteristics of the Columbia Point Peninsula are best portrayed by demographic data applicable to the Uphams Corner (Dorchester), Columbia Point, and South Boston communities.

UPHAMS CORNER, DORCHESTER

Uphams Corner, Dorchester, is a planning district composed of five distinct neighborhoods, each with particular characteristics and problems. The total population in the planning district was 50,422 in 1970, 36.9% of whom were minority households. By 1980, the total number of North Dorchester residents had been reduced to 35,674, 50.5% of whom were non-white.

While approximately 14.4% of the Uphams Corner population was over 60 years of age and 41% were aged 18 and under in 1980 (vs. 28% city-wide), the area's median age was 21 by 1980, compared with nearly 28 years of age for the City of Boston.

North Dorchester's median family income was between $4,100 and $10,000 in 1970, compared with a City-wide median income of $9,100. The percentage of families earning less than $5,000 was 8 points greater than in the City as a whole and unemployment in 1975 was two percentage points higher than Boston's rate.

Nineteen-eighty (1980) demographic information for North Dorchester indicates that a full 38% of its families are below income (defined as 70% or less of Bureau of Labor Statistics lower family budget for Boston Metropolitan area, adjusted for family size), while only 22% of Boston's total population fell within this economic category. A large percentage of North Dorchester residents were employed in low paying occupations in 1980. The percentage of persons in professional, managerial or technical occupations fell from 13% to 6% during the past decade, while the percentage of service and household workers rose from 17% to 26% of the district's total population.

The Uphams Corner neighborhood contained approximately 13,846 dwelling units in June, 1978, compared with 241,891 City-wide. Of these units, nearly 40% were estimated to need in excess of $1,000 in repairs, considerably higher than the City-wide average. Further, the percentage of owner-occupied housing units in North Dorchester was a full 15 percentage points below the City total in 1970.

COLUMBIA POINT

The Columbia Point Peninsula, the specific target area for this UDAG application, contains the most depressed, unemployed and ill-housed population of the five North Dorchester neighborhoods.

Although the total population equalled 4,708 persons in 1970, current estimates indicate a total population of only 1,500 persons in 1980. The vast majority of Columbia Point residents are Black or Hispanic and approximately 60% of the residents are 18 and younger.

While the Columbia Point population was fairly representative of Boston's public housing tenancy several years ago, during the 1970's, the percentage of families with social problems has steadily increased. In 1970, nearly 42% were headed by wage earning adults and 11% depended on social security for income. The median family income was only $4,100, a full $5,000 lower than the City-wide median in 1970, and 20% of the population was unemployed.

By 1975, a State survey of insured unemployed in Boston found that 36% of all Columbia Point youths and 20% of the adults were unemployed. Further, the average family income for welfare families was determined to be $2,127 per year, and only $1,626 annually for families securing social security benefits. In addition, most recent figures indicate that 75% of the families depend on welfare as their sole income source, average income approximates $3,450 annually, and 76% of the households are female headed.

All of the 1,504 dwelling units within the Columbia Point Public Housing Project are in various stages of disrepair and would require substantial rehabilitation to render them habitable. A full 75% of the existing dwelling units are vacant, and the remainder are inhabited by 360 families, 40 elderly households and several social service agencies. The majority of vacant units have been so severely vandalized that the cost of making them suitable for new residents is prohibitive.

SOUTH BOSTON

The South Boston neighborhood, located to the north of the Columbia Point Peninsula, is primarily a stable, middle income area. Furthermore, 98.9% of the neighborhood's 1980 population of 30,391 persons were white. While the trend over the past several decades has been a reduction in South Boston's total population (i.e., the population loss between 1970 and 1980 was approximately 20%), the composition of the population remains very homogeneous. Further, 53% of its 1970 residents had lived in their homes longer than five years.

The median family income in South Boston was $7,300 in 1980, approximately $3,400 lower than the city-wide median income. A BRA survey of the low-income status of families and unrelated individuals, by neighborhood, in 1979 found that 29% of South Boston families plus individuals have incomes below 70% of the Bureau of Labor Statistics Lower Family Budget for the Boston Metropolitan Area.

A large percentage of South Boston's residents are employed in low paying occupations. Approximately 28% of the workers hold clerical positions, 18% are craftsmen, and 29% are service workers. The neighborhood's 1980 unemployment rate was 7%, compared with 7.2% city-wide.

The South Boston neighborhood contained 14,257 dwelling units in 1970, over 30% of which required more than $1,000 in repairs. Approximately 24% of the dwelling units were owner-occupied, only 4 percentage points lower than the city-wide average.

2. Participation of Minorities: Phase I Project Only

Bayside Associates has signed a First Source Agreement with the City which provides among other things, that all contracts funded in whole or in part by UDAG, will meet the Mayor's Executive Orders on Resident Hiring and Minority Business Enterprise Utilization. (See Exhibits IIID-2 and IIID-3).

The Mayor's Executive Order on Resident Hiring provides for 50% Boston resident hiring, 25% minorities and 10% women in all construction contracts funded in whole or in part by City or Federal funds. (See Exhibit IIID-2).

These provisions will be incorporated into the contract terms of all UDAG-funded contracts and will be monitored by the Office of Contract Compliance and the Office of Minority Business Utilization.

There will also be permanent hiring opportunities for minorities provided through Bayside's agreement to a goal of 50% of Boston Resident Hiring in all new permanent jobs created.

3. Residential Neighborhood Impact Statement: Phase I Project Only

One of the primary benefits of the project is the increase of employment opportunities for Boston residents, women, and minorities. The project will provide approximately 175 construction jobs and 538 new permanent jobs. The creation of such a large number of jobs will provide employment opportunities for many area residents. Many of these jobs will be targeted to minorities and women who currently reside in Dorchester, South Boston and Columbia Point.

As described above, Bayside Associates has signed a First Source Agreement which provides for a goal of employing Boston residents in 50% of all newly-created permanent jobs. The Mayor's Executive Orders on Resident Hiring and Minority Business Enterprise Utilization will also be in effect. These provisions will result in many job opportunities for area residents and also result in the development and expansion of area businesses.

4. Relocation Impacts

See UDAG Form 7 - Phases I and II

5. Housing Impacts - N/A in Phase I

See UDAG Form 8 - Phases I and II

EXHIBIT III.D-1

FIRST SOURCE AGREEMENT

In an effort to maximize the employment opportunities for Boston residents, especially the economically disadvantaged, the City of Boston and Bayside Associates agree to the following. The goal of this agreement is to employ Boston residents in 50% of the newly-created jobs at the Bayside Exposition Center.

1. Employment on all construction-funded wholly or in part by the Urban Development Action Grant secured by the City for this project will meet the Mayor's Executive Order on construction employment.

2. Construction-funded wholly or in part by an Urban Development Action Grant secured by the City for this project will meet the Mayor's Executive Order for Minority Business Utilization, effective July 1, 1978.

3. A minimum of 15% of the jobs created by the project in occupational categories for which NDEA has the capacity to provide referrals will be reserved for economically disadvantaged Boston residents.

4. Bayside Associates will provide the City of Boston ten working days to refer Boston residents to jobs in all mutually agreed upon occupational categories, before using other employment sources, during the length of the UDAG loan payback period.

5. Bayside Associates will provide the City a quarterly report on the number of Boston residents employed in the newly-created jobs through September, 1987, and annually thereafter. These reports will include the names and addresses of those individuals referred by NDEA.

CITY OF BOSTON
OFFICE OF THE MAYOR
CITY HALL, BOSTON

KEVIN H. WHITE
MAYOR

EXECUTIVE ORDER

WHEREAS there is a very high rate of unemployment in the City of Boston, particularly among the youth of the City, both white and minority;

WHEREAS the effect of this high level of unemployment has a serious, substantial and deleterious effect for all the neighborhoods of the City of Boston, resulting in the physical deterioration of the neighborhoods, vandalism, and crime;

WHEREAS there is a particularly high rate of unemployment and underemployment for Boston residents who have worked or seek work in the construction industry;

WHEREAS the City of Boston expends substantial sums of money derived from federal, state and city taxes paid by Boston residents upon public works projects in the in the City, hence City residents are entitled to receive some direct benefit from such expenditures;

WHEREAS in addition to the foregoing, the City is intent on satisfying its statutory obligation to give preference to its residents in hiring for publically funded construction projects pursuant to G. L. c. 149, §26.

THEREFORE, I do hereby order that the following policy take effect as of October 15, 1979:

(1) On any construction project funded in whole or in part by City funds, or funds which, in accordance with a federal grant or otherwise, the City expends or administers, and to which the City is a signatory to the construction contract, the worker hours on a craft-by-craft basis shall be performed, in accordance with the contract documents established herewith, as follows:

a. at least 50% by bona fide Boston residents;

b. at least 25% by minorities;

c. at least 10% by women.

For purposes of this paragraph worker hours shall include work performed by persons filling apprenticeship and on-th-job training positions.

(2) Each department of the City of Boston contracting with any private corporation or person for such construction projects, shall include in all such contracts the provisions of the City of Boston Supplemental Minority Participation and Residents Preference Section to insure compliance with this Executive Order.

(3) The Equal Employment Opportunity Contract Compliance Office of the City of Boston through the Awarding Authority shall be responsible for monitoring and enforcing the provisions of this Executive Order and the contract provisions established in accordance therewith.

(4) I urge the Boston Redevelopment Authority and the Economic Development and Industrial Corporation to incorporate the provisions of this policy into all the contracts for construction projects to which they fund or administer, and to which, in their capacity as owners are signatories.

(5) I direct the Vice-Mayor, the Corporation Counsel, the Assessor, and request the BRA staff to research the legal feasibility of the incorporation of this policy into the General Laws Chapter 121A process and if found to be legally feasible, I will incorporate this policy into that process and any other tax related development incentive process.

(6) I am filing today with the City Council a proposed ordinance which will punish those people who would misrepresent facts about themselves in order to become beneficiaries of this program.

Kevin H. White

Kevin H.White
Mayor

September 11, 1979

Date:

EXECUTIVE ORDER

ENCOURAGING MINORITY BUSINESS ENTERPRISE

The City of Boston for the past several years has continued to increase employment opportunities for minority residents within municipal government to help reduce the high rate of unemployment in minority and low income neighborhoods. It now proposes to expand its Affirmative Action Programs to include Economic Development Programs that will encourage the participation of Minority Business Enterprises in the City's contracting process.

Therefore, in order to assure the participation of Minority Business Enterprises in the City's contracting process as defined below, by the authority vested in me as Mayor of the City of Boston, it is hereby ORDERED:

ARTICLE I: DEFINITIONS

"BENEFICIAL OWNERSHIP AND CONTROL", ownership of at least 51 per cent of the voting stock or proprietary interest in any corporation, partnership or sole proprietorship. In the case of a joint venture, the Minority Business Enterprise must have a controlling interest in the joint venture in order to have such participation qualify toward meeting the requirements of ARTICLE II. The existence of any agreements, options, rights of conversion or other restraints which may be exercised within three years and which, if exercised, could reduce minority ownership or control to less than the requisite percentage, shall establish that the existing enterprise is not a Minority Business Enterprise.

"CITY", the City of Boston.

"CITY DEPARTMENTS", those Departments under the supervision of the Mayor or persons appointed by him.

"IMPACTED AREA", any area of the City with high concentration of minority residents so designated by the City of Boston; including but not limited to the following areas: Roxbury, North Dorchester, South End, Jamaica Plain and Mattapan.

"MINORITY PERSON", an individual who is Black, Hispanic, Oriental or American Indian.

"MINORITY BUSINESS ENTERPRISE", a business organization in which at least 51% of the beneficial ownership is held by

one or more minority persons.

"OFFICE OF MINORITY BUSINESS", the Office of Minority Business of the Human Rights Commission of the City of Boston which has primary responsibility for identifying and certifying minority businesses, monitoring the progress of all City Departments and providing technical assistance.

ARTICLE II: MINORITY TEN PERCENT REQUIREMENT

At least ten percent of the value of all construction, goods and services procured by the City during each fiscal year will be obtained from Minority Business Enterprises.

This policy specifically includes all monies expended through the Capital Budget, Operating Budget and all federally funded projects and programs. Where federal regulations require a percentage greater than ten percent, such higher percentages shall govern such programs.

All City Departments will be required to expend a minimum of ten percent of their total expenditures for the fiscal year for construction, goods professional services from Minority Business Enterprises either through contracts awarded by the line department or through Administrative Services acting on behalf of the Line Department.

Thirty percent of all construction work to be performed in Impacted Areas shall be awarded to Minority Business Enterprises.

ARTICLE III: MINORITY BUSINESS OFFICE

The Mayor's Minority Business Office will assist City Departments in locating minority business enterprises through their outreach program and through a listing of minority vendors which will be published on a regular basis.

The Minority Business Office will also provide technical assistance to both the City Departments and to the Minority Business Enterprises. The Minority Business Office will be responsible for monitoring the progress or lack of progress and making recommendations for correction action.

ARTICLE IV: POLICY IMPLEMENTATION

The Director of Minority Business Office in conjunction with the Law Department, will be responsible for developing contract documents for the implementation of this policy.

The Director of the Minority Business Office in conjunction with the Heads of the various city departments will develop systems and procedures to assure implementation and enforcement within all City Departments.

This Policy is effective July 1, 1978.

Kevin H. White
Mayor

June 28, 1978.
Date

NOT APPLICABLE

UDAG FORM 7*

RELOCATION IMPACTS

Instructions: Complete the table below with the numbers of families, individuals, farms, and businesses which will be relocated as a result of the proposed project.

NOTE: The following definitions apply to this table:

(1) Low and Moderate Income: Persons whose income is less than 80% of the median income for the SMSA (or for the applicant's jursidiction if the applicant is outside the SMSA).

(2) Other Income Categories: Persons whose income is over 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

If more appropriate, use the income limits for the HUD Section 8 housing program to define low- and moderate-income families. Where size of family is not known, use Section 8 limit for a family of four persons.

	Low and Moderate Income		Other Income Categories		Total	
	Minority	Non-Minority	Minority	Non-Minority	Minority	Non-Minority
1. Families Displaced	N/A					
2. Unrelated Individuals Displaced	N/A					
3. Farms Lost					0	0
4. Businesses Displaced					0	0
5. Jobs Lost From Businesses in Line 4 Above	0	0	0	0	0	0

* This form constitutes the response to Part III.D.4.a.

UDAG FORM 7*

RELOCATION IMPACTS

Instructions: Complete the table below with the numbers of families, individuals, farms, and businesses which will be relocated as a result of the proposed project.

NOTE: The following definitions apply to this table:

(1) Low and Moderate Income: Persons whose income is less than 80% of the median income for the SMSA (or for the applicant's jursidiction if the applicant is outside the SMSA).

(2) Other Income Categories Persons whose income is over 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

If more appropriate, use the income limits for the HUD Section 8 housing program to define low- and moderate-income families. Where size of family is not known, use Section 8 limit for a family of four persons.

	Low and Moderate Income		Other Income Categories		Total	
	Minority	Non-Minority	Minority	Non-Minority	Minority	Non-Minority
1. Families Displaced	0	0	0	0	0	0
2. Unrelated Individuals Displaced	0	0	0	0	0	0
3. Farms Lost					0	0
4. Businesses Displaced					0	0
5. Jobs Lost From Businesses in Line 4 Above	0	0	0	0	0	0

* This form constitutes the response to Part III.D.4.a.

NOTE: There will be no relocation of tenants from presently unoccupied 752 units (1/2 of project) which will be partially renovated for the Phase II Columbia Point moderate and market rate rehabiltiated housing. In the other complementary component to this project, the present estimated 400 occupied units are guaranteed low-income units at the project site.

UDAG FORM 8*

PROVISION OF HOUSING

NOT APPLICABLE

Instructions: Complete the table below with the number of housing units to be provided by the project for occupants of various income levels. Answer the questions which follow the table.

Note: The following definitions apply to this table:

(1) Low and Moderate Income: Units to be available for occupants whose income is less than 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

(2) Middle Income: Units to be available for occupants whose income is between 80% and 120% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

(3) Upper Income: Units to be available for occupants whose income is 120% or more of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

	Low and Moderate		Middle Income		Upper Income		TOTAL	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	No.	%
a. Number New Units to be Constructed								
b. Number Units to be Rehabilitated								
c. TOTAL Units (Sum of a and b above)								100

1. Indicate the basis for the above calculations. Indicate the annual rental prices and sales prices for units in each income category.

2. If units are to be rehabilitated, indicate the income category of residents prior to rehabilitation and the number of vacant or abandoned units. Indicate the expected income level of occupants of the rehabilitated units.

* This form constitutes the response to Part III.D.5.a.

PHASE II

UDAG FORM 8*

PROVISION OF HOUSING

Instructions: Complete the table below with the number of housing units to be provided by the project for occupants of various income levels. Answer the questions which follow the table.

Note: The following definitions apply to this table:

(1) **Low and Moderate Income:** Units to be available for occupants whose income is less than 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

(2) **Middle Income:** Units to be available for occupants whose income is between 80% and 120% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

(3) **Upper Income:** Units to be available for occupants whose income is 120% or more of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

	Moderate		Middle Income		Upper Income		TOTAL	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	No.	%
a. Number New Units to be Constructed	200	33%	200	33%	200	33%	600	50%
b. Number Units to be Rehabilitated	200	33%	200	33%	200	33%	600	50%
c. TOTAL Units (Sum of a and b above)	400	33%	400	33%	400	33% 1	1200	100

1. **Indicate the basis for the above calculations. Indicate the annual rental prices and sales prices for units in each income category.**

a. Moderate Income Units — 400 units @ $65,000/unit
rental rate $725/month/unit for 4-persc
annual rental $8,700/unit famil

b. Market Rate Units (middle and upper income)
800 units @ $70,000/unit
rental rate $900/month/unit for 4-persc
annual rental $10,800/unit famil

The 1,200 units of moderate and market rate income housing in this Phase II of the Columbia Point Project are to be constructed partially (about 50%) from the rehabilitation of existing structure. These 600 rehabilitated units are to be constructed from an estimated 752 presently vacant and abandoned units formerly of BHA public housing. Of the remaining 752 units, about 400, presently occupied by low income public housing tenants, will be rehabilitated as low income units in a directly corresponding project, but not as a part of this UDAG proposal.

PHASE II

UDAG FORM 8

PROVISION OF HOUSING

--METHODOLOGY AND SOURCES --

Four Hundred low income, 400 moderate income and up to 800 market rate units are provided for in this phase.

(1) Rental and sales prices of units are provided at monthly or annual rates from proposed development budget by BRA planning and Development Departments.

(2) Rehabilitated units in Phase II are to be constructed out of the present half of Columbia Point project which is presently vacant. No present tenants will be displaced.

SECTION

Employment P

III.E. EMPLOYMENT PLAN

III.E.1. Anticipated Employment Impacts

a. Permanent Jobs: The Phase I planned renovation of the Bayside Mall as an Exposition Center will result in the creation of 488 permanent jobs in the City of Boston. About 400 of these permanent jobs will result from Metropolitan job transfers to Boston, and an additional 50 permanent jobs will be relocated from other sites in the city. Eighty-eight of these permanent jobs will be in the Exposition Center, a function currently served by the Commonwealth Pier and the Hynes Auditorium.

Tables I and II summarize the occupational distribution of these Phase I jobs.

TABLE I

Occupational Distribution of Phase I
Bayside Exposition Center Jobs

Professional/Technical/Managerial	7
Crafts	15
Service	61
Clerical	5
Total	88

TABLE II

Occupational Distribution of Phase I
Wholesale Garment Center Jobs

Professional	22
Technical	10
Managers/Officers	41
Sales	101
Clerical	146
Maintenance/Production	122
Service	8
Total	450

Phase II of the Columbia Point project will involve planned construction of 1,600 new housing units, 20,000 square feet of retail space, and 10,000 square feet of restaurant space. It is anticipated that this development will result in 90 new jobs. This increase will include 50 retail, and 25 restaurant, and 15 housing jobs. Table III presents an occupational breakdown which is currently available for Phase II.

TABLE III

Occupational Distribution of Phase II
Columbia Point Peninsula Housing Jobs

Professional/Technical/Managerial	1
Clerical	2
Maintenance/Production	1
Service	11
	15

TABLE IV

Occupational Distribution of Phase II
Columbia Point Peninsula Retail Mall Jobs

Professional/Technical/Managerial	5
Clerical	3
Maintenance/Production	0
Service	42
	50

TABLE V

Occupational Distribution of Phase II
Columbia Point Peninsula Retail - Restaurant Jobs

Professional/Technical Managerial	4
Clerical	6
Maintenance/Production	2
Service	8
Sales	5
	25

b. Temporary Jobs: Approximately 175 full-time construction job equivalents will be created during Phase I of the project. Phase II will create 774 additional construction jobs.

III.E.2. Local Employment and Training Programs

The employment and training system within Boston is coordinated by the Neighborhood Development and Employment Agency (NDEA), the City's CETA Prime Sponsor. Under contracts with a wide range of community-based organizations, and through programs that it operates, NDEA provides a variety of employment and training programs and related services.

Of most importance in assessing, training and placing economically disadvantaged individuals in the jobs at the Bayside Exposition Center are the programs run by NDEA's Employment and Human Services Division. The program include assessment, pre-vocational training, and skills training. The services may be summarized as follows:

a. Intake and Assessment: Considered as the entry point of Boston's employment and training system, NDEA operates a number of intake centers and a central assessment center which provide academic and vocational assessment, counseling and referral services. At the intake centers, eligibility for employment and training programs is determined; eligible applicants are referred to the Assessment Center for vocational and academic assessments.

b. Direct Job Referral and Placement: For job-ready NDEA clients, NDEA and the Boston Private Industry Council (BPIC) jointly operate an adult placement service, the Boston Job Exchange. The Job Exchange seeks to match clients with jobs in the manufacturing, commerce, business services, and human/personnel services sectors. This cost-efficient placement service assists a portion of the NDEA eligible population which is not in need of training and would therefore not otherwise receive assistance.

c. Skills Training: Skills training programs are designed to provide the training necessary to qualify for the hold employment in a specific occupation. Provided by a variety of community and public organizations, NDEA-funded skills training programs take place in the classroom and on the job. The classroom training programs offer orientation to the world of work, and occupational skills in electronics, industrial, clerical, business, health, and other occupations. Graduates of these skills training programs are placed into jobs in occupations for which they are trained.

d. Pre-Vocational Training: Many of the clients in Boston's Employment and Training System lack not only specific vocational skills, but also basic reading and math skills. Others face language difficulties. The pre-vocational programs contracted from NDEA to community and educational organizations provide English as a Second Language (ESL) and Adult Basic Education (ABE) to the clients who have these

problems. These programs are designed for the most part to prepare clients for further training, although some participants are placed in unsubsidized employment after completing pre-vocational programs. (This is especially true of ESL clients who are skilled but lack language ability).

Many clients lack work experience which acts as a barrier to unsubsidized employment or to readiness for skills training. NDEA, through its contractors, operates an Adult Work Experience Program (AWEP) to provide this employment background.

e. Youth Employment and Training: NDEA administers a number of youth programs to prepare economically disadvantaged 16-24 year olds to make the transition from school to work. Through range of programs, youth are exposed to work, given career counseling and labor market information, taught to search for a job, trained to act as responsible employees, and encouraged to remain in or return to school. These programs prepare youth who are likely to experience difficulty to enter the labor force as productive employees.

NDEA has also expanded its efforts to match high school seniors to jobs by joining with the BPIC, the Boston Public Schools, and the Tri-lateral Council for Quality Education to offer the Boston Job Development Collaborative. Through the Collaborative, which is funded entirely with private monies from the McConnell-Clark Foundation, disadvantaged Boston high school seniors will be counseled and trained in the responsibilities of the working world, and then placed into private sector jobs.

In addition to providing these programs using public funds, NDEA is working with the private sector to increase private sector participation in the funding and design of training programs. These collaborative efforts serve both economic and personnel needs of the employers and needs of the economically disadvantaged and unemployed workers of the City. Private sector support is in the form of funds for training programs and unsubsidized employment for youth while they complete their education.

III.E.3. Extent of Linkage

The effort to place economically disadvantaged individuals in the new jobs at the Bayside Exposition Center and other Columbia Point Peninsula developments is part of a comprehensive employment policy under implementation in Boston. In addition to the Employment Initiative Program designed to place the economically disadvantaged in jobs connected to funds provided through the Urban Development Action Grant program, the City has an employment policy to cover both temporary and permanent jobs.

The City has set a goal for all commercial and industrial development projects that are publicly assisted, that 50% of the construction work, on an hourly craft-by-craft basis, be performed by Boston residents. The City monitors the compliance by employers of this goal. The City requires that 25% of the construction jobs be filled by minorities, and 10% by women; and similarly monitors and enforces this provision.

As a requirement for the receipt of financial assistance, companies or developers undertaking publicly-assisted development projects must agree to an employment plan targeting a certain percentage of new jobs to residents, minorities, and women. This requirement applies to both new jobs created at project completion and future positions at the site which result from regular attrition or further growth.

The following describes the specific goals set for the Bayside Exposition Center and for the later Phase II development program with regard to the City's employment policies.

a. Permanent Jobs: As the owner of the Bayside Exposition Center, the Bayside Associates has agreed to target 50% of the new jobs created by Phase I to Boston residents. Additionally, 25% of the jobs expected to be filled by minorities and 40% by women. Any lease agreements developed with the individual tenants during Phase I or Phase II will contain provisions to encourage firms to achieve these goals.

   Half of new workers at the Bayside Exposition Center will be clients of the Boston Job Exchange or NDEA program participants. These workers will be referred from NDEA-sponsored employment and training or youth programs.

   The BRA has agreed that the same provisions will apply to Phase II of the project and will make these provisions known to developers and tenants of that project.

b. Temporary Jobs: During the Phase I construction of the Center, 175 construction jobs will be created. The developers of the facility will work to ensure that their contractors comply with 50% residents, 25% minority and 10% women hiring provisions. Additional construction jobs will be created during Phase II, which will also be filled to comply with the City's Employment policies.

III.E.4. Linkage Program

a. Permanent Jobs: NDEA will use the resources of Boston's employment and training system to help the Exposition Center and its tenants, to explain the services that the employment and training system can offer, to obtain job descriptions, and to develop a well defined set of requirements for each available position, so that those who are referred for employment meet the company's needs.

   Once a firm's needs and hiring standards have been established, and once job openings have been identified, NDEA's Placement Services Division will coordinate the referral of program participants and others to Exposition Center tenants. Program referrals will be made from skill training programs, and youth programs, if appropriate. Each firm will then select those applicants that it wishes.

To aid in the referral of qualified Boston residents, minorities and women to the available jobs, the BRA will require Bayside Associates and other project tenants to agree to First Source Agreements. Under such agreements, the firm would notify NDEA of all job openings and provide NDEA with a period in which to refer qualified before the firm used other employment sources.

NDEA will be working with the BRA and Bayside Associates to develop a system of incentives and/or penalties to be used to ensure compliance with the development's hiring goals. BRA's Compliance and Monitoring Unit, and the City's Liaison Committee, comprised of City agencies, community organizations, major unions, and contractor organizations, will monitor and enforce compliance with the employment goals, in accordance with the procedures of NDEA's Compliance and Enforcement Division.

b. Temporary Jobs: The City's employment policy establishes a process by which construction hiring goals can be met, and develops a mechanism to monitor and enforce compliance with these goals. Bayside Associates and any other developers will first use their traditional hiring sources to meet the City's employment goals. When they cannot meet the goals through these methods they will utilize alternative construction job referral systems designated by NDEA. Applicants may be referred from NDEA's network of intake and assessment centers.

The Boston Redevelopment Authority's Compliance and Monitoring Unit, and the City's Liaison Committee will monitor and enforce compliance with the employment goals, in accordance with the procedures of the NDEA's Compliance and Enforcement Division.

III.E.5. Resources

NDEA is in the process of planning the linkage program, including the financial and staff resources that will be used to administer it.

III.E.6. Concurrence of Training Provider and Private Employer

The individual developers of the Bayside Mall facility (Bayside Associates) have agreed to the principles of the City's employment provisions. They have agreed to work to attain these principles and will comply with the sanctions developed by the Liaison Committee.

The BRA and Bayside Associates are also committed to the goals of the City's employment provisions. They have agreed to develop leases for facility tenants which provide incentives for the tenants to meet the hiring goals, and they have agreed to work with NDEA to develop mechanisms which provide residents, minorities, women, and the economically disadvantaged access to the permanent jobs created at the new facility.

III.E.7. Timetable for Implementation

The linkage program planning will be finalized within the next several months and will be implemented during the construction period in order that Boston's economically disadvantaged may benefit as the new job opportunities are realized.

SECTION F

Record of Applicant

III.F. RECORD OF APPLICANT

Reference Source: Community Development Block Grant Grantee Performance Report

Refer to: Form HUD-4950.2 Project Progress Report

Also see Quarterly Reports filed for the quarter ending June 30, 1982 for the following Action Grant Projects:

B-78-AA-25-0006	Charlestown Navy Yard
B-78-AA-25-0005	Lafayette Place
B-78-AA-25-0004	Blue Hill Avenue
B-80-AA-25-0027	Crosstown Industrial Park
B-80-AA-25-0036	O'Connell Sea Food
B-80-AA-25-0041	Teradyne
B-81-AA-25-0037	Westland Avenue
B-81-AA-25-0046	North End Nursing Home
B-81-AA-25-0047	Copley Place
B-81-AA-25-0075	Boylston Building
B-81-AA-25-0077	Nimrod Press
B-81-AA-25-0006	Charlestown Navy Yard

PART IV

Project Approval Information

SECTION A

Technical Requirements

IV. PROJECT APPROVAL INFORMATION

A. Technical Requirements

Item 1

Does this assistance request require state, local, regional or other priority rating?

No

Item 2

Does this assistance require federal, state, or local advisory, historic preservation, education or health clearance?

No

Item 3

Does this assistance request required clearinghouse review in accordance with OMB Circular A-95?

No

Item 4

Does this assistance request required state, local regional or other planning approval?

No

Item 5a

Is the proposed Phases I and II program covered by an approved comprehensive plan?

Yes, Phase I, Boston's Comprehensive Economic Development Strategy (CEDS); Phase II - N/A

Item 5b

Does the applicant have a locally approved Community Development (CD) plan and Housing Assistance Plan (HAP)?

Not applicable yet, but Yes, approval date: September, 1980.

Item 6

Will the assistance requested serve a federal installation?

No

Item 7

Will the assistance requested result in improvements on federal land or to a federal installation?

No

Item 8a

Will the application require an Environmental Impact Statement (EIS)?

Project does not exceed EIS thresholds cited in 24CFR Part 58.37(a)(4), (5), and (6).

Item 8b

On what date was the level of clearance finding made?

Above findings were made on July 30, 1982

Item 9

Will the assistance requested cause the displacement of individuals, families, businesses or farms?

No

Item 10

Has other related governmental assistance on this project been approved or applied for? Will any other be applied for?

Yes, State Street Bank and Trust Company has committed to purchase or place the IRB's necessary to complete the Bayside Exposition Center; not available for Phase II; .

Item 11

Is the project in a designated flood hazard area?

Yes, Phase I (partially) (See II.B.3 for additional information)

Item 12

Will the proposed project result in the relocation of industrial or commercial facilities from one metropolitan or non-metropolitan area to another?

No

Item 13

Does the proposed project involve the jurisdiction of more than one municipality?

No

SECTION B

Citizen Participation, Civil Rights, Equal Employment and Housing Opportunity

IV.B. Citizen Participation, Civil Rights, Equal Employment and Housing Opportunity

Item 1a

Is there a written Citizen Participation Plan describing the process for citizens to take part in the deveiopment of the application as required in 42 CFR Part 570.456 (c)(i)(A) of the Regulations?

Not Applicable

Item 1b

Did actual citizen participation in the development of the application equal or exceed that expected in the Citizen Participation Plan or the requirements as stated in the Regulations?

Not Applicable. However, according to the City's UDAG Citizen Participation Plan, established by the City's former Office of Public Service, two public hearings were held during July. The first occurred July 15, 1982, at the Teacher's Union Function Hall, Bayside Mall, Columbia Point. Written invitations were sent to community groups, local agencies and elected officials. Notification was published twice in neighborhood-and city-wide newspapers. Presentations on the project were made and printed information was distributed. The second public hearing at the City Council's Subcommittee on Planning, Development, and Housing was held on July 21, 1982. Similar notification procedures were followed. The project was approved by the City Council on July 28, 1982. (See Appendix for City Council Approved Resolution and additional documentation of the Citizen Participation process.)

Item 2

If the project is residential or "neighborhood" in nature, are neighborhood groups or community organizations involved in developing the application or in carrying out a component of the project?

This is a neighborhood commercial and housing project being done in cooperation with the neighborhood-based Columbia Point Community Task Force, Inc.

Item 3

Does the applicant have any unresolved issues arising from civil rights compliance reviews, citizen participation allegations, lawsuits or other allegations against the proposed or any other Federally-assisted project (or funding) administered by the applicant?

Yes. The City of Boston does have four issues in this area currently.

(1) The Department of Housing and Urban Development conditioned 50% of the City of Boston's Year VII Community Development Block Grant Funds on the basis of the City's past performance in fair housing and minority employment. On July 21, 1982, the City and HUD agreed

to the release of half of the conditioned funds as a result of progress the City has already made. The other half is still being held up awaiting further submissions by the City. These submissions are due by September 15, 1982.

(2) A Rev. Wallace recently filed a complaint with HUD alleging violations by the City of Section 109 and Title VI through its failure to fund his Year VII CDBG proposal. HUD is currently investigating his allegations.

(3) City of Boston, et al. v. Massachusetts Council of Construction Employers, Inc., et al. The Supreme Judicial Court of Massachusetts overturned the City of Boston's plan regarding job preference for City residents in construction hiring. The City has appealed this decision to the United States Supreme Court and the Court has decided to hear the case.

(4) N.A.A.C.P. v. H.U.D. Although the City is not a part to this litigation, the plaintiffs seek to condition the City's CDBG funding and that of several UDAG's as well on resolving this case. The U.S. District Court heard arguments on the case this spring, and the judge is presently considering a verdict.

Item 4

Is the applicant under investigation by any Federal office enforcing equal opportunity laws and regulations?

No. The City of Boston is unaware of any investigations by Federal enforcing equal opportunity laws and regulations, unless those investigations are of the activities mentioned in Section B, Item 3.

Item 5

Has the applicant submitted Form EEO-4 or comparable data to the HUD Area Office as of the preceding July 31st as a certification of continuing eligibility?

The City of Boston, as part of its compliance with the conditions of the Community Development Block Grant conditions for the Year VII, has supplied the HUD Area Office with comparable data on a monthly basis.

PART V

Assurances

V. ASSURANCES

The applicant hereby assures and certifies that:

1. It possesses legal authority to apply for the grant, and to execute the proposed program.

2. Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

3. Prior to submission of its application, the applicant has:

   a. Prepared a written citizen participation plan, which:

      (1) Provides an opportunity for citizens to participate in the development of the application, encourages the submission of views and proposals, particularly by residents of blighted neighborhoods and citizens of low- and moderate-income, provides for timely responses to the proposals submitted, and schedules hearings at times and locations which permit broad participation;

      (2) Provides citizens with adequate information concerning the amount of funds available for proposed community development and housing activities, the range of activities that may be undertaken, and other important program requirements;

      (3) Provides for public hearings to obtain the views of citizens on community development and housing needs; and

      (4) Provides citizens with an opportunity to submit comments concerning the community development performance of the applicant.

   b. Followed this plan in a manner of achieve full participation of citizens in development of the application. The applicant shall also follow this plan to achieve full citizen participation in all other stages of the program, even though this may not be required under current UDAG requirements.

4. Its chief executive officer or other officer of applicant approved by HUD:

   a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply to the applicant's proposed program pursuant to 24 CFR 570;

   b. Is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

5. The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low-and moderate- income families or aid in the prevention or elimination of slums or blight.

6. It will comply with the regulations, policies, guidelines, and requirements of OMB Circular No. A-102, Revised, and Federal Management Circular 74-4 as they relate to the application, acceptance, and use of Federal funds under 24 CFR 570.

7. It will administer and enforce the labor standards requirements set forth in 24 CFR 570.605 and HUD regulations issued to implement such requirements.

8. It will comply with all requirements imposed by HUD concerning special requirements of law, program requirements, and other administrative requirements, approved in accordance with OMB Circular No. A-102, Revised.

9. It will comply with the provisions of Executive Order 11296, relating to evaluation of flood hazards and Executive Order 11288 relating to the prevention, control, and abatement of water pollution.

10. It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under 24 CFR 570 to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1971, subject to the exceptions contained in 41 CFR 101-19.604. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.

11. It will comply with:

    a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no persons in the United States shall on the grounds of religion, race, color, sex, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

    b. Title VIII of the Civil Rights Action of 1968 (P.L. 90-284) as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and provision of brokerage services.

c. Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR 570.601), which provides that no person in the United States shall, on the grounds of religion, race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under 24 CFR 570.

d. Executive Order 11063 on equal opportunity in housing and non-discrimination in the sale or rental of housing built with Federal assistance.

e. Executive Order 11246, and all regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), and Section 4(b) of the Grant Agreement, which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or Federally-assisted contracts. Contractors and subcontractors on Federal or federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demolition, or transfer; recruitment or recruitment advertising; lay-off or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.

12. It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.

13. It will:

a. To the greatest extent practicable under State law, comply with Section 301 and Section 302 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and will comply with Sections 303 and 304 of Title III, and HUD implementing instructions at 24 CFR Part 42; and;

b. Inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations at 24 CFR Part 42 and Part 570.602(b).

14. It will:

a. Comply with Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD implementing regulations at 24 CFR Part 42 and Part 570.602(a);

b. Provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition or real property for

an activity assisted under the Community Development Block Grant Program. Such payments and assistance shall be provided in a fair and consistent and equitable manner that insures that the relocation process does not result in different or separate treatment of such persons on account of race, color, religion, national origin, sex, or source of income;

c. Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, or source of income; and

d. Inform affected persons of the relocation assistance, policies, and procedures set forth in the regulations at 24 CFR Part 42 and 24 CFR Part 570.602(a).

15. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

16. It will comply with the provisions of the Hatch Act which limits the political activity of employees.

17. It will give HUD and the Comptroller General through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.

18. It will insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by the EPA.

19. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 103(a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

20. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C.

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